Featuring Banking

THE FINANCIAL POST

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OTTAWA DECIDES AGAINST ECONOMY IN ITS SPENDING

Budget Actually Calls For Higher Expenditures Despite Railway Cut

OUT IN FIGURING?

Only Hope of Relief is That Finance Minister Estimated Revenues Too Low and Expenditures Too High

From Our Own Correspondent.

MONTREAL.—One can only hope that Mr. Fielding is all wrong in his figuring. He is most conservative in his estimates of the income to be derived from the taxes even as revised. On the other hand, he is far from conservative in estimating the likely expenditures of the government. All of which means that if the finances of the country follow along the lines indicated by the finance minister for the coming year the country will have another deficit of over eighty million dollars which can only be made up by additions to the national debt. Each year as these additions are made to the indebtedness of the country the situation becomes more exasperating, for new debts mean new interest charges and once a debt has been created the interest charges become, to some extent, an uncontrollable expenditure.

Will Revenue Decline?

The finance minister's budget forecasts an increase of $5,600,000 in customs revenue. Despite the rather illusory change in the preferential tariff, customs revenue with improved business conditions should increase by several times this amount. The minister looks for a decline in the excise taxes. It is going to be very difficult to forecast the exact effect of the difference in the computation of the sales tax, but if one were to admit that the effect will be the same so far as the producing revenue is concerned this decrease also hardly seems likely to materialize. The decrease in income and business profits' taxation of close to $18,000,000 is hard to reconcile with the largely increased profits of Canadian business concerns, estimated at 20% during 1922. Can it be that income and business profits taxes have reached such a point in Canada that they are actually throttling the earning power of companies and individuals?

No Expenditures Cut

So much for revenue. Anyone who hopes that Canada can this year for the first time in many years balance its budget is hoping that the revenue estimates on the present basis of taxation are away under what will actually prove to be the case. As to estimated expenditures Mr. Fielding does not throw out much hope, outside of the railway field. Advances to railways and the Government Mercantile Marine are estimated at $74,500,000. In 1923 more than $98,250,000 were advanced and in 1922 over $97,950,000. Here is a clear saving of approximately $24,000,000, and a most welcome saving. But one is inclined to feel that Mr. Fielding did not do so well in counting up the ordinary expenditures of the country as he is expecting Sir Henry Thornton and his railway staff to do. Ordinary expenditures are estimated at $339,000,000 as against actual ordinary expenditures of $331,780,000 in 1922-23. This is an actual increase of about $7,000,000, more than accounted for by the increase in the debt burden, of course, but nevertheless very unusual in face of demands for national economy.

Expenditures Still Rising

The situation revealed by the Budget is really very serious. The railways have been blamed in the past for every new tax and for every increased expenditure. But in the coming year when it is estimated that the railways will be a lighter burden on the tax payer to the extent of nearly $25,000,000, an actual increase in ordinary expenditures of the country is being provided for by an addition to the debt burden of the country of $80,000,000. In this there is no sign of relief for business. In such a situation there is no indication that the income tax, already preventing the flow of capital to new development, can be reduced. Neither is there a promise of a repayment of some of our war burdens. The war loans can never begin to be paid off until the revenue of the country is greater than the expenditure. It may be a little unfair to ask for reduction in taxation and for reduction in the national debt at one and the same time but other nations are doing it. Even granting the heavier burdens of a new country such as this one can hardly see in the figures presented any movement towards even one of these ends.

Viewed entirely apart from the changes in taxation, which are of a minor nature, the Budget is very disappointing and it almost makes it seem hopeless that Ottawa can be expected to take the damper of taxation off the fires of industry.

The British Government holds $3,000,000 "A" income bonds and $2,625,000 common st ck of the British America Nickel Corporation of Canada, with a nominal value of £1,160,000. The amount of income received on these holdings is not reported.

Textiles Not Badly Hit By New Tariff

From Our Own Correspondent.

MONTREAL.—The further addition to the British preference is not going to have the dire effect on the textile industry in Canada that was prophesied by some wild rumors circulated early in the week. One statement referred to the textile industry as getting the most smashing blow it had ever received. On the same day that this statement was given out the Dominion Textile stock rose from 68 to 70, which should be considered an effective answer.

As a matter of fact, British textile firms are operating under very high costs at the present time and cannot compete with Canadian firms even under the reduced tariff. If conditions were back on a pre-war basis it might be a different story but it will be many years before the British textile firms are operating on a strictly normal pre-war cost basis and until that happens the textile manufacturers of Canada are not worrying.

APPLYING BRAKES TO BUSINESS IN UNITED STATES

But Dangers Of 1920 Are Not Now In Evidence

The slump of industrial securities in the stock markets is regarded as an indication that the upward movement of prices has been too rapid and that inflation has taken place. But whether the present turn in events means a definite trend or whether the brakes have been applied in time to extend the period of prosperity is the point on which opinions differ. Hayden-Stone and Company state that the theory of applying the brakes to avoid danger has been eminently successful—perhaps almost too successful. This opinion continues:

There is no question that there has been a distinct letting down in new business; enough to reduce commodity prices appreciably and in some lines to affect the rate of operation. In other lines business continues at the maximum rate on orders taken earlier in the year, but incoming business is far below present operations. Now the question is—is the buying going to continue to diminish and business experience really an appreciable setback, or will confidence be restored and the net result of this experience be to prolong the period of activity, though at a less feverish pace. This is a hard question to decide. One thing that this little slowing down has accomplished is to take the edge somewhat off the labor market. There was a distinct danger here; the abandonment of much new construction work and the slowing up of the textile and tire industries will do much toward ameliorating this condition. People will not buy on falling markets, but as soon as it is evident that the decline is complete, they will again enter their orders. We are inclined to think that the commodity market, like the stock market, is more healthy for the reaction that has taken place; there would certainly have been nothing gained, and eventually—much lost, by a further advance.

A Healthy Corrective

The check to the forward buying and the cause in the price rise is also referred to by the Bache Review. This situation is not regarded in any sense of gloom but as an indication that a healthy corrective is being applied. This opinion continues:

It seems to be generally admitted in the latter trades that the edge has been taken off. Retailers and jobbers are said to be buying comparatively little at present and to be "dodging long-term commitments as if fearing a plague."

There is almost a threat of a buyers' strike among these retailers, but this is due to the late arrival of seasonable weather, and dealers find themselves with a large part of their spring stocks still on hand. Salesmen who are now out endeavoring to place fall goods find these people very much averse to making commitments, and some cancellations in fall goods already contracted for are being made, chiefly by apparel manufacturers whose estimates on the volume of fall business possible, have changed very materially in the last few weeks. This is a result of the developments in the retail market, such as the sugar strike and its consequences, which, it is feared, may lead to buyers' strikes in other commodities.

Another factor has entered in to increase the caution of retailers and jobbers, and that is that imports in these lines for the last few months have been large, in addition to high domestic production, and this has led to the belief that ample supplies of almost all commodities are on hand.

Everyone Works Ten Hours Daily in Italy

"Everybody in Italy worked ten hours a day," says John R. Shaw, president of the C. M. A., speaking of Italy, from where he has returned after attending the recent industrial conference. "And not only that," added Mr. Shaw, "but they actually refused to work an eight hour day, because they wanted the work and the money they got for the longer hours. It was quite a surprise to a business man from Canada. During my visit in Italy I never saw a sign of industrial disturbances."

The Budget—How Business Views It

In its tariff and taxation details, the new Budget is regarded as generally satisfactory, generally harmless.

In its main aspects, however, the Budget is disappointing, discouraging, alarming, harmful. The brilliant, virile, veteran Fielding presented it; but as it lacks these qualities, as its presentation was forced, dull, apologetic, and as its policies were short-sighted and unstatesmanlike, it is evident Mr. Fielding himself did not inspire it.

Perhaps no previous Budget has given rise to so serious thought. The general conclusion seems to be that the Government in the face of a critical opposition lacked courage to rise above petty politics. On the other hand, one of the ablest observers at Ottawa expresses the decided opinion that it forewarns we are going in the next five years to face a period of great strain and he finds intelligent people dreading certain developments.

The Budget plainly tells us that the policy of the King Government is not to reduce current expenditures, as other countries have done; that their policy is not to keep out of new schemes which, in the aggregate, call for more heavy annual expenditures; that their policy is to continue adding more millions to our national debt; that their policy is to increase present taxations and impose new ones to meet these increasing expenditures.

The constructive features of the Budget are limited to asking Parliament to formally sanction the hoisting of the "White Flag" of complete defeat in our tariff war with the United States, and a reduction in the Imperial preference just as we are going to a conference to negotiate. Both are regarded as very bad strategy, and they indicate a complete change of feeling on the part of Mr. Fielding on these points, which we do not believe has actually taken place. He has never forgiven the duplicity of Mr. Taft in secretly asking support for reciprocity "to make Canada an adjunct of the United States"; while in 1897, when Laurier, speaking at Liverpool, thoughtlessly, under the inspiration of the German-owned Cobden (Free Trade) Club, said that Canada wanted nothing in return for the preference then given. Mr. Fielding, reading the press cables at Ottawa, said that the Premier must have been misreported. Canada did want to make preferential arrangements.

A reduction in national expenses; a reduction in national taxes; a construetive policy were the chief pre-election guarantees of the present Government. Trusting in these promises, thousands of Conservatives swung to Mr. King's support. This breaking faith with the country, this indifference to serious conditions, has created a feeling of anxiety, has started a revulsion against Mr. King, which is extending to his own supporters, in the country.

There is some disappointment over the failure of the Farmer group in not taking an aggressive stand on reduction of national expenses. They are spending their energies on what are for the time being at any rate, theories, and neglecting a few of the important directions in which they might get immediate practical results. Notwithstanding misrepresentation and a stirring up of strife by thoughtless speakers, intelligent financers and business men feel a bond of alliance with the farmers. Farmers are business men—in business for themselves. The courageous, businesslike handling of big problems in Ontario by Mr. Drury has overcome many misgivings that existed among business men of the country as to the economic soundness and sense of justice of farmers. If the Progressives in the House of Commons concentrate on important, practical problems and stop wasting time on academic debates and on matters at present impossible of achievement, they could gather about them the best business influence of the country. Together they would force any government to follow the sound policies that characterize good farmers and good business men alike.

What is printed above fairly expresses the opinions of representative men and groups in Ontario, Quebec and Manitoba, including many Liberals. It is too early for us yet to have similar reports from the Maritimes and British Columbia; but in view of the unanimity of opinion in central Canada, the outlying provinces are likely to be in accord.

They do not believe there is ground for the Budget pessimism. That conditions are not what they should be is admitted, but they are blamed upon the incompetence of past governments and chiefly upon the failure of the King Government to grapple with them. The heavy loss of native-born population particularly in the last few months—amounting in some rural districts to 25 per cent.—and heavy taxation they regard as our most serious, pressing problems. For both the present Government is blamed.

While the general effect of the six-per-cent. sales tax being applied at the source under the new Fielding budget should be to remove some of the many difficulties which have been encountered under the existing regulations, which result in pyramiding of the smaller levy in many cases, the adjustment will have an unsettling effect, temporarily at least, in many directions and many rulings will be required. The most important question to decide will be as to what or where is the "source" where the tax is to be applied in regard to a manufactured article. Evidently Mr. Fielding and the Commissioner of Taxation realized the many difficulties to be disposed of when they decided not to put the new regulations into effect until the first of August.

The main difficulty arises out of the fact that what may be the manufactured product of one concern may be the raw material of another. This applies both in the case of imported goods and domestic products.

Take, for example, raisins. A manufacturer of biscuits imports and pays the tax. When the manufacturer sells biscuits does he add 6% on the selling price, including the cost of raw materials and the cost of manufacture? If so, the tax actually paid by the consumer on the raisins is larger than if he purchased raisins alone. The same point would apply as regards the flour used, whether the tax would be on the cost of the flour or on flour plus the cost of manufacturing biscuits.

> **CHANGES TO BE MADE**
>
> **The various points discussed in the accompanying article, on which general rulings as to the application of the new sales tax are desirable, have been submitted to Ottawa by THE FINANCIAL POST. Officials of the Excise Department decline to give information, however, saying that as the proposals now before Parliament are likely to be changed it would be useless to make pronouncements.**

Fixing the "Source"

This is merely an instance. It will at once be appreciated, however, that it is difficult to decide where the "source" is when it comes to a manufactured product and it is a very important point because at each advancing stage there is the inclusion in the price of additional labor costs, profits and other charges. The six per cent. as applied to pig iron would be entirely a different matter to the same six per cent. as applied to a highly-manufactured product of the metal after several manufacturing stages.

In cases where Canadian manufacturers are competing with American manufacturers it would seem that the former are now at a disadvantage because of the increase to 6 per cent. while the tax on imports is unchanged at that figure. However, this situation may be overcome because there will now be no pyramiding.

In trade circles there are any number of questions coming up which will have to be settled by definite rulings. One important general point is as to whether they are to appear on their invoices when selling to jobbers or direct to retailers.

The fact that concerns with sales under $10,000 a year do not come under the tax is regarded as inequitable in that a small concern manufacturing a specialty in a small way may not be taxed and thus have an advantage over a large manufacturer making the same device as one of many lines and

(Continued on Page 8)

Little of War-Time Taxes Used for War Expenditures

Only One-Twentieth of War Expenditures Met From 1914 to 1921 and Over $2,000,000,000 Added to National Debt

"Excluding outlays on railways the surplus revenue over capital and expenditure from April 1st 1914, to March 31st 1921, could only meet about one-twentieth of the direct war cost."

"The national debt of Canada increased from $336,000,000 in 1914 to $2,340,000,000 in 1921—an increase of over $2,000,000,000—a sum greater than the total savings in the chartered banks of Canada."

The foregoing statements taken from the following article on our federal finances and taxation by J. Courtland Elliott, M. A., emphasize the serious situation which taxpayers are facing in that their heavy contributions to the national exchequer are not sufficient to balance the budget. The tax problem is perhaps the biggest problem in Canada to-day.

Mr. Elliott has been making a thorough study of the situation affecting federal taxation and is preparing for THE FINANCIAL POST a series of articles dealing with the phases particularly affecting the business community and all who bear the income tax levy.

Canadian public finance has many knotty problems. These problems compel the attention to-day not only of "stern economists"—to use Hon. Mr. Fielding's budget expression—but also of every citizen who has to dig into his "jeans" for the wherewithal to meet his obligations to the state.

Origin of Fiscal Problems

Each country must work out its own financial policy, and the problems which have to be met in Canada arise from the vast extent of the country and the sparsity of population, the division of authority between the Dominion and the provinces, the lack of concentration of invested wealth, the huge amounts necessary for public works, the absence of political solidarity, the influence of tradition and the force of custom, the necessity of making Canada attractive for capital and immigration, and finally, the burden of debt which is a legacy of the war.

These, and many other factors, have rendered difficult the administration of public finance. Consequently, it is essential that there be some definite realization of our financial condition if our tax system is to be adapted to our needs and to the limitations which exceptional Canadian conditions impose. In this series of articles it is the intention of the writer to examine Canadian financial policy during the war and demobilization—roughly, from 1914 to 1921—with a view to accounting for deviations from sound financial practice.

Theories Must Be Modified

The "stern economist" from the mass of arid details of public finance must be able to pick out certain widely applicable principles which can be adapted to the economic, social and political conditions in any country. On the other hand, these principles or ideals, such as the desirability of uniformity and universality in the application of taxation, must be continually modified in practice and the disappointing showing of our

(Continued on Page 13)

WESTERN CROP REPORTS STILL ARE OPTIMISTIC

Manitoba Government Statement Better Than Expected

By E. CORA HIND,
Agricultural Editor, Manitoba Free Press.

WINNIPEG.—The Manitoba Government to-day issued its first crop report for the season, which proved more optimistic than was generally expected. The individual reports all come in by wire, none of them are older than May 11 and at that date show a larger percentage of seeding done than seemed possible under the conditions of growth that have obtained for the past ten days. Wheat acreage will be somewhat decreased it is admitted, and there will be an increase in the acreage of oats and barley, especially of barley; there is considerable increase in the acreage of clovers, especially sweet clover, and in the Red River valley, where water on the land has delayed seeding, there will be some increase in flax acreage. The increases in flax acreages would be larger if a better supply of really clean seed were obtainable. The report indicates that winter rye, owing to the heavy snow blanket, has come through the winter in good condition.

For the past ten days two livestock improvement and better farming trains have been running concurrently on the two railways in Manitoba, and daily reports from the crowds attending these trains are to the effect that there is a marked increase in forage crops all over the whole province.

Alberta Needs Moisture

General reports from Alberta indicate that more than 75 per cent. of the wheat is in and a considerable acreage of the coarse grains, but Alberta needs moisture to make the grass grow. Manitoba on the other hand, has a perfect seed bed and ample moisture, and even with the cool weather which has prevailed, grass is coming well.

Conditions in Saskatchewan are about mid-way between Alberta and Manitoba in regard to seeding, but generally, Saskatchewan has sufficient moisture.

Horses generally are reported in good condition for spring work, and would have been impossible with warmer weather.

Cattle in Northern Alberta have suffered considerably for want of feed and the delayed grass, owing to want of rain.

THE RECIPROCITY MOVE JUST PLAY TO THE GALLERY

President Harding Is In No Position to Make Response

FARM BLOC STRONG

Political Impression Has Been Given that Tariff is Good for American Agriculture and Still Prevails

From Our Own Correspondent.

NEW YORK.—While to some extent sympathetic, American press comment on Mr. Fielding's latest reciprocity proposal seems to indicate that Eastern American opinion does not believe that the time is ripe for any such arrangement. Almost to a paper, they point out that even if the president had the power to declare the cut in the tariff on farm products that Mr. Fielding suggests, political expediency would prevent him taking such a step. It is made quite clear that the Fordney-McCumber tariff permits the president to order cuts in the present tariff only after a careful investigation of the situation affected by the proposed change has been made by the tariff commission. Even when this investigation has been made, the president can only order a cut made in the rates enacted by the tariff act to the extent of fifty per cent. when it has been clearly shown that the new rates will still protect American producers against low cost foreign competition. Thus it appears the present powers of the president in this connection are rather limited.

So far as the political aspect of the question is concerned, comment makes it clear that the farm bloc in the Republican party may be expected to resist with all its strength any attempt to lower the present tariff on Canadian farm products. Most of the members of the bloc have been telling their constituents for some years back that the partial elimination of the Canadian farmer from the American market has had a great deal to do with the recent recovery of prices in the commodity markets.

(Continued on Page 16)

Use Care in Sending Free Samples to Asia

Manufacturers receiving requests from Asia for samples of their goods, "preliminary to the placing of orders," should proceed with caution and discrimination in the matter of sending out such samples.

Probably in the majority of cases such requests are made in good faith, but it is desirable to remember that oriental merchants sometimes ask for samples, not with the idea of initiating real business but simply for the purpose of obtaining goods to be sold in the local bazaars.

FEATURES

Farmers and Manufacturers Have Troubles Alike 2
What Portion of Tariff Charges Reach the Treasury 2
Linking West to East By Panama Route 3
Sales Tax Paid by Consumer in Living Cost 3
General Market Continues Weak; Mines to Front 4
Wild Literature re Labrador Gold is Being Circulated 5
Outlook for Flour Sales in Britain Not Bright 5
U. S. Paper Mills Resigned to Embargo on Wood 6
Quebec Railway Will Have More Tranquil Future 7
National Lines Show Deficit for February 7
Pass Bank Act is Policy of Government 8
Sterling Bank Report Shows Business Again Expanding 8
Philosophical Commune Would Revise Bank Act 9
Bank Customer Has No Right to Overdraft 9
Good Name of Banking Desired More Than Riches 10
Dangers of Marginal Trading Are Pointed Out 11
Opinion Divided on Bond Market Outlook 12
Amusement Tax Not Levied in All Provinces 13
Judge Dismisses Accident Claim in Suicide Case 14
Many Complications in Automobile Insurance 14
Maritimes Also Are Demanding Lower Freights 15
Building in Dominion Shows Material Increase 15
Sugar Refiners Make Profit of Fifth of Cent per Pound 16
Bank Paper Takes Care of 96 per Cent. of Business of Day 17
Fisher Theory of Stable Dollars Not a Solution 17
Strong Position Maintained by Banks of Dominion 18
General Move of Bank Stocks to Higher Levels 19
Comparative Record of Various Bank Stocks 19

EDITORIAL

Britain Again World Leader—The Same Old Story—Paying Germany's War Expenses—Was There Confiscation?—Cashing in on a College Education.

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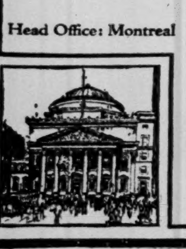

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SAYS FARMER AND MANUFACTURER ARE TROUBLED ALIKE

Col. Hatch Urges Co-operation to Assist Both Industries

DETAILS PROGRESS

Tells C. M. A. Ontario Division Meeting That Canadian is World's Richest Man

Contending that if public deposits in banks and loan companies can be taken as a fair indication, Col. Hatch, chairman of the Ontario Division of the C. M. A., held that the Canadian is the world's richest man. He was addressing the annual meeting and added that these depoits total two billion dollars, or $250 per capita. Comparing the years immediately preceding the war with 1922, he found:

The total assets of banks have increased 70 per cent.

Total deposits increased 99 per cent. Bank notes in circulation increased 66 per cent.

Value of field crops increased 68 per cent.

Value of industrial production increased 185 per cent.

Population increased 21 per cent.

Dealing with Canadian industry, the Colonel declared that products of Canadian industry stand high in the Canadian market. We have reached the stage where, generally speaking, the public disposition is to give goods of Canadian manufacture a preference, competitive conditions being equal, and added:

Interests Identical

What farmers and manufacturers should realize a little more clearly is that their interests are not conflicting but identical. The hard times of the last two years have at least produced clearer and sounder views in regard to this. Farmers and manufacturers were uniformly prosperous in 1920. The slump came and we all grew poor together. The farmers did not have money to spend for manufactured goods; the factories consequently had to slow down and thousands were thrown out of employment. Those who were out of work were consumers and they had to cut down their consumption of farm products. This is the way the vicious circle works. We should all work together to get a different kind of circle going. The manufacturing industries of the country should be built up so that thev can supply the home market and then reach out after export trade. If they can do this they can employ many more people than they are now employing. As a natural result of a growth in industrial activity, the distributors, transportation, the professions, will all increase because the factory is a breeder of business which radiates from it in all directions. The obvious result is that there will be a much larger consuming class to use the products of Canadian farmers. What better policy is there for the farmer? The United States has practically shut out his goods from that country and Europe seems to be too poor to increase very greatly their purchases of Canadian farm products. The home market is the market on which the Canadian farmer must chiefly rely.

Spend 30 Million More

The new Union Depot was the subject of some attention in the Toronto branch executive report, the stand being taken that the depot should be opened with as little additional outlay as possible to both the city and National Railways. It says:

"The city of Toronto has on occasions entered into some unfortunate agreements," is the way the report reads, adding: "The Street Railway franchise, from which we have recently been relieved, operated in such a way as to stunt our growth, and now we have a silent but expensive monument to an apparently inoperative agreement at the city's main entrance. The new Union Station is one of the best buildings of its kind and for the purposes intended, on this continent. It cost in the neighborhood of six million dollars. A ten-year-old agreement provides that the railways and the city spend in the neighborhood of thirty million dollars before bringing the station into use. It is urged by some authorities that the station may be brought into use in a comparatively short time at considerably less cost, but there are others that hold to the terms of the original agreement. Your committee is of the opinion that we should not add more than is essential to our civic non-productive debt, nor should we increase more than is necessary the capital burden of our National Railways, and if, therefore, a good engineering scheme may be devised to bring the station into use, while at the same time giving proper access to the water front, at less cost than the proposed viaduct, it should be brought forward with the least possible delay. Regardless of what has happened in the past, if a compromise plan is good business let us get on with it, and thus make use of the splendid new building, and discard the worn out and inadequate structure which we now use."

Stanley Baldwin, Chancellor of British Exchequer, referring to sugar situation at Unionist meeting in London, said sugar beet sowings in Europe are showing 40 per cent. increase over last year and predicted drop in prices.

What Portion of Tariff Charges on Bill of Goods Reaches Treasury?

What portion of the tariff charges paid on a bill of goods by the consumer goes into the treasury?

This point has been the subject of a recent controversy before the special Commons Committee on Agricultural Conditions. It was argued by I. E. Pedlow, merchant, Renfrew, that when the consumer paid $77 in tariffs the treasury got $35. It has been argued that Mr. Pedlow's case was a sound one against protection.

R. P. Sparks, clothing manufacturer, Hull, admitting the Pedlow theory to have been the strongest argument of those opposed to protection and against the tariff as a method of collecting revenue, contends that there is no pyramiding of the tariff and that Mr. Pedlow is wrong. That when the treasury got $35 in tariffs the consumer paid only $38.48.

MR. PEDLOW'S CASE

A wholesaler in Montreal imports from the United States a bill of goods to the value of $100.00, on which the duty is 35%. He sells to the manufacturer at an ordinary trading profit of 25%, which manufacturer makes up into garments, and, disregarding labor, re-sells the goods in manufactured form, at a profit of 33 1/3% to the retailer, who re-sells at a further trading profit of 33 1/3% to the consumer.

The goods when imported cost the wholesaler $140.06, made up as follows (disregarding freight, packing, duty on packing, etc.):

Invoice price of goods	$100.00
Duty on same	35.00
Sales tax (3¾% on invoice price plus duty)	5.06
	$140.06

When the wholesaler sells to the manufacturer, he adds 25% on the laid down cost, which makes the selling price to the manufacturer $140.06 plus $35.01, or $175.07, to which the wholesaler has to add by law to his invoice sales tax of 2¼%, or $3.93, making the cost to the manufacturer $179.00.

This $179.00 is made up of the following items:

Invoice price	$100.00
Profit on invoice price ..	25.00
35% duty plus 25% profit on same	43.75
First Sales Tax of $5.06 plus 25% profit	6.32
Sales Tax on sale from wholesaler to manufacturer (2¼% on $175.07)..	3.93
	$179.00

The cost price to the manufacturer is therefore, $179.00. To this the manufacturer adds (exclusive of labor) a profit of 33 1/3% or $59.66. He also charges a sales tax or 4½% on $239.66 ($179.00 plus $59.66), or $10.74, making the cost to the retailer $249.40.

This price is made up of the following items:

Invoice price of goods ...	$100.00
Profit of 25% on same ...	25.00
Manufacturer's profit	41.66
Duty	35.00
Wholesaler's profit of 25% on duty	8.75
Manufacturer's profit of 33 1/3% on duty plus wholesaler's profit on duty, or on $43.73	14.58
First Sales Tax	5,06
Wholesaler's profit on sales tax	1.26
Manufacturer's profit of 33 1/3% on first sales tax and wholesaler's profit, or 33 1/3% of $6.32	2.11
Second sales tax of $3.93, plus profit on sales tax of 33 1/3% ($1.31)	5.24
Third sales tax of 4½% on the cost to the retailer	10.74
	$249.40

On the resale of these goods to the consumer, the retailer adds his trading profit of 33 1/3%. He adds, therefore, to the cost to him—$249.40—1/3 of this, or $83.13, making the cost to the consumer $332.53, which we may dissect as follows:

Goods—

Invoice cost of goods	$100.00
Wholesaler's profit on invoice cost	25.00
Manufacturer's profit	41.66
Retailer's profit of 33 1/3% on $166.66	55.55
	$222.21

Duties and Profits on Duties—

Duty	$35.00
Wholesaler's profit on duty	8.75
Manufacturer's profit on duty	14.58
Retailer's profit on duty ..	19.44
	$77.77

Sales Taxes and Profits on Sales Taxes

Sales tax paid by importing wholesaler, 33 1/3%	$ 5.06
Wholesaler's profit of 25% on $5.06	1.26
Manufacturer's profit of 33 1/3% on $6.32	2.11
Retailer's profit on first sales tax, $5.06 plus profit on sales tax, $2.11	2.81
Sales tax from wholesaler to manufacturer of 2¼% on $175.07	3.93
Profit of manufacturer ...	1.31
Profit of retailer	1.75
Sales tax from manufacturer to retailer	10.74
Retailer's profit, 33 1/3% on $10.74	3.56
	$32.55
Total	$332.53

Therefore, the Treasury received the following sales taxes:

First sales tax on original purchase of goods	$ 5.06
Second sales tax on sale from wholesaler to manufacturer	3.93
Third sales tax on sale from manufacturer to retailer.	10.74
	$19.73

The consumer paid these taxes, plus profits amounting to the difference between $32.55 and $19.73, or $12.82 more than was received by the Treasury.

In respect to duty, the Government received $35.00. The consumer paid in respect to duty and profits on duty $77.77 or $42.77 to collect $35.00.

MR. SPARKS' CASE

"The wholesaler wants to make sufficient profit to pay 12% on his invested capital and as he can turn over his stock about four times a year he figures that 3% on the laid down cost will achieve his result and the remaining 22% will be overhead."

Then he adds his idea of how the $179 is compiled or constituted:

"Invoice cost of goods	$100.00
Duty	35.00
Sales tax	5.06
Wholesaler's overhead 22% of $100 goods	22.00
Wholesaler's overhead 22% of $35 duty	7.70
Wholesaler's overhead 22% of $5.06 sales tax	1.11
Wholesaler's profit, 3% of $100 goods	3.00
Wholesaler's profit, 3% of $35 duty	1.05
Wholesaler's profit, 3% of $5.06 sales tax	.15
Sales tax, manufacturer to wholesaler	3.93
	$179.00

"The cost price to the manufacturer is, therefore, $179. To this the manufacturer adds a profit of 33 1/3%, 30% of which is to provide for his overhead charges and 3 1/3% to provide a profit for himself. He also charges his sales tax of 5½% on $238.56 or $10.74, making the cost to the retailer $249.40. The $249.40 is made up as follows:

Goods, $100 plus overhead $22, plus profit $3	$125.00
Duty	35.00
Overhead on duty	7.70
First profit on duty	1.05
Manufacturer's overhead 30% of $125 goods	37.50
Manufacturer's overhead 30% of $35 duty	10.50
Manufacturer's overhead 30% of $7.70 overhead ..	2.31
Manufacturer's overhead 30% of $1.05 profit on duty	31
Manufacturer's profit, 3 1-3% of $125 goods	4.16
Manufacturer's profit, 3 1-3 % of $35 duty	1.16
Manufacturer's profit, 3 1-3% of $7.70 overhead ..	26
Manufacturer's profit, 3 1-3% of $1.05 first profit on duty	04
First sales tax, $5.06 plus $1.11 plus 15 cents plus 33 1-3%	8.43
Second sales tax $3.93 plus 33 1-3%	5.24
Third sales tax	10.74
	$249.40

"On the resale of these goods to the consumer the retailer adds his trading profit of 33 1-3%. He adds, therefore, to the cost to him $249.40, 33 1-3% of this or $83.19, 30% of which is overhead and 3 1-3% of which is profit, making the cost to the consumer $332.55 which we may dissect as follows:

Goods $125 plus overhead $37.50 plus profit $4.16..	$166.66
Duty	35.00
First profit on duty	1.05
Second profit on duty	1.16
Profit on first profit on duty	04
First overhead on duty $7.70 plus overhead on second $2.31 plus profit	10.27
Second overhead on duty	10.50
Overhead on profit on duty 30% of $1.05	31
First sales tax, $8.43; second, $5.24; third, $10.74	24.41
Retailer's overhead, 30% of $166.66 goods	49.99
Retailer's overhead, 30% of $35 duty	10.50
Retailer's overhead, 30% of accumulated profits on duty, $2.25	67
Retailer's overhead, 30% of accumulated overhead on duty $10.27, $10.50, 31 cents	6.32
Retailer's overhead on 30% of accumulated sales taxes $24.41	7.32
Retailer's profit 3 1-3% of $166.66 goods	5.55
Retailer's profit 3 1-3% of $35 duty	1.16
Retailer's profit 3 1-3% of accumulated profits on duty, $2.25	07
Retailer's profit 3 1-3% of accumulated overhead on duty, $21.08	75
Retailer's profit 3 1-3% of accumulated sales taxes, $24.41	82
	$332.55

In respect to duty the treasury received		35.00
The consumer paid duty	$35.00	
Wholesaler's profit on duty	1.05	
Manufacturer's profit on wholesaler's profit on duty....	04	
Manufacturer's profit on duty	1.16	
Retailer's profit on duty	1.16	
Retailer's profit on accumulated profits on duty	07	
	$38.48	$ 35.00

The treasury received	$35.00
The consumer paid.	38.48

The whole matter is a question of mathematics, the allocation of costs, including tariffs and profits. In both cases the consumer pays the same, but the important points are, what does he pay in tariff charges and what portion of what he pays in tariff charges reach the goal for which they were intended?

In dissecting Mr Pedlow's case Mr. Sparks declares that the fundamental error made in the Pedlow memorandum was that the ordinary trading profit or gross profit was treated as a net profit and no allowance was made for the fact that by far the greater part of what was called an ordinary trading profit went to provide for what was actually a cost and not a profit. It has been repeatedly stated in Parliament and in the press of Canada that one of the chief weaknesses of the tariff as a means of taxation is that the original amount paid to the Treasurer is pyramided and an amount very much greater is collected from the ultimate consumer. So far as I am aware, this is the first time that the falsity of this argument has been exposed. The only increase which the consumer pays over and above what the Treasury receives is a small amount representing interest on the investment of various traders through whose hands the goods have passed.

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LINKING WEST TO THE EAST BY PANAMA ROUTE

Manufacturers Should Profit by Cheap Water Haul

SOME COMPLAINTS

Declare That Nothing Been Done to Take Advantage of the Opportunities for Steamer Service

By C. P. W. SCHWENGERS,
Vice-President Victoria Chamber of Commerce

Need for utilization of the cheap water haul through the Panama Canal as a means of assisting manufacturers in Eastern Canada to market their goods in British Columbia on favorable terms with foreign competitors and, conversely, of encouraging sale of British Columbia products in Eastern Canada, is no less important than Premier John Oliver's fight for equalization of railway freight rates. Trade between Eastern and Western Canada is handicapped by the present lack of shipping facilities by way of the Panama Canal. Here we have the Canadian Government Merchant Marine operating ships between Canada and almost every important country in the world, and yet not one ship has been allocated to this Panama Canal route to link the West with the East. Nature and the hand of man have given the Maritime Provinces, Quebec and Ontario the opportunity of cheaper water transportation to British Columbia than to the Provinces of Saskatchewan and Alberta, but in spite of all efforts that have been made in this direction the Dominion Government has steadfastly maintained an unsympathetic attitude towards all efforts made in this direction. Can you imagine the people of California, Washington and Oregon, and the big industrial centres in the Eastern United States standing for one moment for the United States Government saying that they shall not avail themselves of the Panama Canal or refusing to do what is in their power to foster this natural route, under the pretext that the business must move via the large transcontinental railways because of the injury that would be done to them if they lost this traffic? Yet this is the situation which we have to put up with in Canada.

This subject has been pressed at Ottawa for a number of years, and even before the war the Hon. Dr. Reid, then Minister of Railways, acknowledged the justice of our claim and promised to build two steamers to ply between the Atlantic and British Columbia ports. Again after the war we were promised that steamers of the Canadian Merchant Marine should be placed on this route, but nothing has ever been done under pretext that the Canadian railways must be protected in their investments; evidently even at the expense of British Columbia.

Shiploads of iron and steel material are being brought into British Columbia every year from New York, Liverpool, Antwerp and Hamburg at rates of $6 to $6.50 per ton.

Foreigners Get Trade

I have a telegram from Ottawa stating that last year there was approximately one and a half million dollars' worth of foreign iron and steel material imported into British Columbia, and our good money sent out to foreign countries, nearly all of which could have been kept in this Dominion, had its natural means of transportation been available; and this at a time when some of the Canadian factories were wholly or partially closed down and unemployment was rampant.

Let us take as one instance only that of black and galvanized sheets. I think it is safe to say that at the very least half a million dollars' worth of this material was imported from the United States, Great Britain, Belgium and Germany in 1922. This material came by water at a rate of approximately $6 per ton.

There are two mills in Eastern Canada producing the same goods, and the lowest freight rate that they can secure to British Columbia is $20 a ton, or nearly three and a half times the cost of bringing in the foreign material, and I think I am safe in saying that not more than five per cent. of British Columbia's consumption was supplied from Eastern Canada, whereas almost the entire quantity could have been produced from that source if proper shipping facilities had been provided.

General builders' hardware can be laid down from New York to Vancouver and Victoria at $10 per ton, and the same class of goods from Eastern Canadian manufacturers is costing from $50 to $75 per ton. Picks and mattocks are being brought in from Great Britain for $7 per ton and the cost from Eastern Canada in carload lots is about $34 per ton. Carloads of pumps have been brought in from New York at $16 per ton, against $52 per ton from Eastern Canada, and so on down the whole line almost thousands of instances of a similar nature can be cited.

NOVEL TRUCK INSURANCE

An additional protection against accidents to automobile trucks, is being secured by a produce merchant in Atlantic City, Ga. While all his trucks are heavily insured, he is offering a new suit of clothes to each of his drivers who goes through 1923 without an accident.

Ottawa Also Warns re Labrador Mining

From Our Own Correspondent.

MONTREAL.—To the warnings already issued by Premier L. A. Taschereau and THE FINANCIAL POST against indiscriminate investment in mining companies in Labrador, is added an official statement of the Dominion government that casts considerable doubt upon the titles some of the Labrador mining companies are exploiting. The Dominion government has not waived nor does it intend to waive any rights of sovereignty which belong to the Dominion or to the Province of Quebec within the territory covered by leases in Labrador which are said to have been obtained from the Newfoundland government by the gold mining companies.

In the House of Commons the Hon. A. B. Copp, secretary of state, said that if the territory was such as advertised by these companies then the whole of the area covered by their leases was in dispute between the Newfoundland government and the Dominion government. It was not probable that the Newfoundland government could acquire any advantage by acts of administration while litigation was in progress.

NEW OGILVIE LAKE FLEET SOON RUNNING

Six of Bay Line's French Boats Now on the Ocean, Bound for Canada

From Our Own Correspondent.

MONTREAL.—Ogilvie's new fleet will shortly be in operation. Six of the ten steamers purchased by this large milling company from the French Government will arrive in the course of a few days. Together with three wooden steamers bought from the Webster Steamship Co., Ltd., of Montreal, the French ships will be used to transport grain and coal from Port Colborne and Lake Erie ports to Montreal. The fleet of thirteen vessels will be operated by the Bay Line Steamships, Ltd., which has been formed for the purpose by the Ogilvie Flour Mills Co., with Captain H. N. McMaster, formerly marine superintendent of the Montreal Transportation Company, as manager of the subsidiary organization.

The ships were all constructed during 1919 and 1920 to carry Welsh coal for the French Government, and have a carrying capacity of approximately 1,800 tons each. They are very similar in type to the vessels operating on the Great Lakes and canals, the chief difference being in the position of the bridge, which is situated aft instead of in the usual position.

The ships bought in France have been rechristened as follows: Ashbay, Beechbay, Cedarbay, Elmbay, Maplebay, Oakbay, Pinebay, Poplarbay, Sprucebay and Willowbay. Capt. McMaster, manager of the fleet, is still in France arranging for the sailing of the last four ships.

The Ogilvie Flour Mills Company's three wooden steamers, which have a carrying capacity of 1,000 to 1,500 tons each, have been rechristened the Birchbay, Palmbay and Yewbay. These vessels have already been placed in service under the management of the Bay Line Steamships, Ltd.

BAR AGAINST ALIENS TO U. S. TO REMAIN

If Anything, Harding May Tighten Present Strings Against Immigration

The United States will likely tighten instead of modifying its immigration restrictions, predicts Rep. Albert Johnson, chairman of the Committee on Immigration and Naturalization of the House of Representatives. He told the Chamber of Commerce of the United States, meeting at New York, that the alien bars are to remain tight; that Pres. Harding had not changed his views on European restriction one iota; that the U. S. is no longer an asylum for the people of the world and that wholesale migrations of the people of the Old World into the U. S. are ended for all time.

The fiscal year of the U. S. ends July 1, and the quotas will open again and for the next five months it is expected the Northern Europe rush will be on again. Mr. Johnson predicted this would end the labor shortage. In making the prediction that immigration laws would tighten, he sought to show that President Harding looks at the matter from a different viewpoint than did his predecessors, quoting the president as saying: "We have too long looked upon immigration in terms of the raw material of industry. We must in future look upon it in terms of its effects upon our social organization."

The proposed immigration limitation for the coming year is 2% on the 1890 census basis with one per cent. additional for relatives of those already in the country. It is pointed out that on this basis the Japanese problem will be happily solved as in 1890 the Japanese population was only 2,000.

Having real prosperity, the chief concern of the business men of the country is to preserve it, said Herbert Hoover, U. S. secretary of commerce.

FORD'S HIGH RECORD

DETROIT.—New production records were established by Ford Motor Co. in week ended Tuesday, May 8, during which a total of 39,053 cars and trucks were turned out for domestic use. This exceeds by 192 the previous high record set the week before. Daily production records went to new high mark May 4, when 6,590 cars and trucks were assembled, beating the record of 6,573 established April 17.

SALES TAXES PAID BY THE CONSUMER IN LIVING COSTS

Eventually It Must be Passed on if Capital is to Earn

WHEREVER PAID

People of Smaller Incomes Pay Higher Percentage in Sales Tax Than Those of Large Incomes

By PROF. HUBERT R. KEMP,
University of Toronto.

Defenders of the sales tax, or similarly contrived taxes, often say that it is fair because it falls in proportion to expenditure; and the man who can afford to spend the most, is required to pay the most in taxes. They would further point to the exemption of food and fuel from the tax as a concession to people with very small incomes, who spend most of their earnings on the bare necessities of life. But the more we examine the sales tax, the more doubtful it seems whether the tax is in proportion to ability or even to expenditure. Suppose we divide expenditure into two categories; that which is undertaken for personal consumption and that which represents investment in reproductive undertakings (for, of course, saving and consuming are equally forms of spending). Let us consider first that part of the sales tax which falls upon goods intended to be consumed by their purchasers. It is popularly supposed that such taxes fall upon the ultimate consumer, and the economist also would regard this as generally true. For if the sellers absorb the tax, their profits will be reduced; their business will no longer pay quite so well as it did before; and some of the weaker firms which were just able to struggle along before, will be forced out of business. Even if this does not occur, new capital will be more likely to enter businesses where the returns are not lessened by this particular burden, or perhaps to seek other countries. Thus, even if manufacturers generally were to absorb the sales tax, we might expect the ultimate result to be a lessening of the sources of supply and an ultimate increase in price.

If manufacturers do not try to absorb the tax, the increase in price would probably occur sooner. A monopolist who had already fixed his prices at the level which would yield the maximum profit, would find it expedient to pay the sales tax himself, because any increase of his prices would probably diminish the volume of sales and profits. Under competitive conditions, however, it seems probable that a large proportion, if not the whole of the sales tax, would usually be borne by the consumer.

Consumer Will Always Pay

So much for the effect of the sales tax on prices of goods intended for consumption. Let us now consider the incidence of the tax as it affects machinery and goods intended to be used for production. Will investors generously consent to pay these taxes themselves, hoping for no return, or will they make expenditures for productive purposes only if they expect to obtain the usual profits not only on the original cost of equipment but also on the sales tax which they have paid? The latter supposition is more probable. They will expect to shift their portion of the sales tax to the consumer of the goods which they manufacture. If they are successful, all is well. If not, then the return on investments here will tend to be less than in countries which have no sales tax; the flow of capital into Canada will be slightly checked, the volume of production here will tend to diminish slightly, and there will ultimately be a rise of prices sufficient to shift the sales tax to consumers. The reader will notice that the phrase "other things being equal," so necessary in all economic demonstrations, has been omitted a number of times for the sake of brevity, and the whole subject has been treated with less fullness than is found in such works as those of Professor Seligman.

The general conclusion from the preceding paragraphs may be summarized in two or three sentences. The sales tax will tend to be shifted to consumers. It will fall upon the taxpayers, therefore, not in proportion to their income, but in proportion to their expenditure on goods for consumption. They will largely avoid the payment of sales tax out of that portion of their income devoted to investment. Persons who have small incomes and who are obliged to spend most of their earnings on the necessities of life will pay sales tax on nearly all their income, except so far as they are protected by the exemption of foods and fuel from the tax. Those persons on the other hand, who enjoy larger incomes out of which they spend only half on consumption and invest the other half, will be paying sales tax on only one-half of their income; for they will probably be successful in shifting the tax insofar as it affects their investments. The larger the income, the larger the amounts paid in sales tax—but the larger the income, the smaller the percentage of that income paid in sales tax.

Number two blast furnace of the Algoma Steel Corporation is expected to start operations about June 1st. This will mean that the whole four furnaces of the company will be in operation, bringing the output of pig iron to capacity.

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News and Views for Investors

HOLLINGER

Hollinger is down below the $13 mark for the first time in a long while. The break was no doubt because of that in Dome. The expectation of an increase in dividend will not leave Hollinger there long.

CANADIAN GENERAL ELECTRIC

Canadian General Electric is now well over the $100 mark. Improved business, the company having five large orders on hand, is the best accepted reason for the advance. The report that U. S. interests were negotiating for control might be taken as an expectation for the advance, but it is very doubtful if it is the underlying reason.

DOME'S BREAK

The break in Dome mines following heavy selling in New York caused some of the other golds to break with it. However, there was quite a rally at the close of the market. The break was due to the forced liquidation of a large block of Dome on the New York market where the price broke down to $36 but later moved up. The position of the mine is unchanged.

PORT HOPE SANITARY

Port Hope Sanitary has been in demand of late and has moved up from the price of 51 at the first of the month to 57. The buying is based on a rumor that the dividend is to be materially increased. This stock paid six per cent. last year. Earnings are reported to have greatly increased due to the great increase in building and the heavy demand for the company's products.

ST. LAWRENCE PAPER

The St. Lawrence Paper Company at Three Rivers, has two machines in operation now turning out newsprint paper to the amount of 120 tons daily. The company has not yet made arrangements for the sale of its preferred stock or bonds although these are likely to be offered in due course. The paper being produced is sold to the Munsey publications in New York and the Baltimore News.

PAY BROMPTON ARREARS

It is reported that there is considerable probability of a payment on account of arrears of preferred dividends being announced this month. This would undoubtedly have a favorable effect on the price of the common stock. The company is operating all plants at full capacity and the present outlook is that in the neighborhood of $10 per share will be earned on the junior issue in the present fiscal year.

WILLYS-OVERLAND PRODUCTION

The Willys-Overland Company's Canadian subsidiary in which the Russell Motor Company has a large interest, reports that production during the first quarter of the year 1923 was slightly less than that of the corresponding period a year ago. Since the end of March, however, a sharp upturn set in, and the plants are said to be operating at capacity, as against under 50 per cent. in April, 1922.

DULUTH-SUPERIOR

There has been a steady accumulation of Duluth-Superior Traction and the stock has moved up several points to 35. Dividend expectations are at the basis of this. Payments may start in the fall. Earnings for the first three months of 1923 have been running at the rate of 4 per cent. per annum on the common stock. While it is not expected that the earnings will show proportionate improvement throughout the year, these having already reached their peak, the company's position may be comparatively comfortable for the remaining nine months. There is only one prevailing difficulty that may make itself felt, and that is in respect of operating costs. Wages are being advanced in the steel industry, in keeping with the general tendency in industry across the line, and this will no doubt be reflected sooner or later in the price of steel rails. Copper wire, which a year ago was selling at 11 cents, has now reached 17 cents; if it goes to 25 cents. for example, the company would experience a decided cut in its net.

CANADA STEAMSHIPS

Real competition for Canada Steamships Line on the great lakes this year is seen in two announcements made this week. It was stated that six of the fleet of ten vessels made in Britain for the recently formed Eastern Steamships Company, Limited, will arrive in Montreal shortly, to be placed in the grain carrying trade. The plans of this company were thoroughly discussed in THE POST last fall when it was organized. Announcement was made that Ogilvie Flour Mills will soon have nine boats in operation carrying its grain, three of its recent purchases now being in operation and six more boats being on the high seas on their way to Canada.

At a special meeting of board of directors of Montreal Loan & Mortgage Company, resolution was passed recording profound regret of the directors at the death of co-director Richard Bolton.

Mining Stock Quotations

Week Ending May 15th.

	High	Low	Close	Sales
Apex	3¾	3½	3¾	11,500
Algonquin	7	—	—	2,000
Atlas	9	8	8	66,000
Argonaut	84	72	80	82,250
Baldwin G.	14	12½	12½	52,200
Buckingham	36½	32	34	164,000
Bidgood	22½	21¾	21¾	35,500
C. Trethewey	28	27	27¾	39,500
Ch't. Hughes	8¾	7⅞	—	12,500
Coniagas	2.95	.....	.....	770
Con. Smelters	26½	25	26½	528
Cons. W. D'me	38	34	35	317,900
Clifton	28	23½	27	114,200
Col. Kirkl'nd	15¾	15	15½	54,000
Churchill	12	11½	—	22,000
Davidson Ex. Rights	7	—	—	2,500
Dome Mines	42.25	40.90	41.25	1,515
Dom. Kirkl'nd	3	2½	—	18,000
Gold Reef	3½	3	3	30,000
Goldale	46½	45½	45½	15,400
Hattie	40	34	34	117,250
Hillcrest, c.	68	—	—	5
Hillcrest, p.	90	—	—	25
Hollinger	13.20	13.00	13.00	6,315
Hunton	14½	13¼	14¼	59,500
Inspiration	9¼	—	—	3,000
Keora	17	13	—	165,500
Keeley	1.09	1.70	1.70	13,300
Kirk. Lake	54	50	50¾	7,500
La Rose	39	34	37½	46,500
Lake Shore	3.57	3.49	3.52	8,925
Lorrain	31½	30½	30½	132,500
Montreal. Ont.	46	45	46	6,000
McEnaney	37½	35½	35	6,500
McIntyre	20.25	19.55	19.90	5,756
Mining Corp.	2.95	2.75	2.75	1,500
Moneta	24	23	23	45,000
Newray	44½	42½	42½	50,400
Nipissing	6.00	5.93	....	1,111
Ophir	2½	2¼	2¼	8,500
Petrol	11¼	—	—	500
Petersen Lke.	12	11½	11½	33,500
Porc. Crown	15	14½	14½	30,200
Porc. Tisdale	3¼	3	—	2,000
Prest. E. Dome	14⅞	14½	14⅜	24,000
Schumacher	16	—	—	1,100
Silver Leaf	1	—	—	1,000
Teck Hughes	1.44	1.26	1.40	122,250
Timiskaming	46	44½	45	28,000
Thomp. Krist	5½	—	—	10,500
Trethewey	4¾	4⅜	4¾	7,000
Beaver	45	41	41	79,600
Vipond Cons.	75	73	74	30,500
Wakenda	8	7	7½	17,000
Wasapika	9¼	7	8½	510,750
West Tree	10¾	9¾	9¾	55,500
Wettlaufer	15⅜	12	12	21,500
McK. Darr'gh.	20	17½	19½	52,500
Chamb. Ferl'nd	5	4½	5	3,000
Cr. Reserve	74	72½	73	59,210

GENERAL MARKET CONTINUES WEAK; MINES TO FRONT

The Volume of Trading in General List is Very Small

BREAK IN DOME

Liquidation of Large Block of Stock in New York Causes Heavy Slump

The market has been narrow and dull for the most part. There has been no life to the trading, buying power being almost negligible. The Toronto market has given more attention to the mines than to the regular list, while Montreal has developed a slightly stronger tone in the issues that have come to the front, the range of trading has been so narrow as to be without significance. Gains on either market have been very few, following the line of the past week in which special issues were singled out. New York's influence has been baneful. There seems to be an opinion abroad that the situation in Gotham is a manufactured one, and for that reason buyers are laying off. There is no flood of stocks, however, which is a most promising sign.

Perhaps the whole feature of the week was the sudden break in Dome. This was undoubtedly due to the forced liquidation of a large block of stock at New York where the market sagged considerably below the Toronto price. There are rumors abroad that the break came as a result of a change in the situation at the mine. This is far from the truth. The break was due to heavy New York selling. Buying power of this issue is strong and the opinion of the street is that the recovery will be as sudden as the break.

Some Good Spots

Some of the tractions have been leaders in the good spots in the trading of the past week. While the market has been spotty and at present is weak as well, there have been some brisk spots in the trading. Some of the steels have shown strength as have also some of the specials. Bank shares have been quiet, while the papers have been irregular. Oils have been more or less weak owing to the decline in the price of oil in the U. S. The bond market like the stock list has been irregular. Signs of strength have appeared one day only to lapse the next. Bond dealing has been very light.

During the quiet period in the regular list many of the brokers are recommending the gold issues to their clients. The position of the golds has steadily improved and to-day stands out as a bright spot. In this connection, Cronyn and Co., in a recent letter to their clients, called attention to the position of the golds. Words of caution are sounded and most of it can be strongly supported except, perhaps, one point. The broker is looking at the golds from a broker's point of view and advises his clients not to buy in mines having no financial resource. This is to be taken figuratively. There is the mining point of view also. All prospective mines are at some time or another in such a position, and only by persons buying their stock are they able to go ahead. Of course, these are prospects and not mines. Their stock really ought not to be listed until they are out of the prospect stage, but even then there are many good prospects without funds that the brokers can well recommend to their clients. But, as Mr. Cronyn well says, be sure who is behind the proposition. The broker's letter in part:

The market in the gold stocks is acting remarkably well, and promises with the opening up of the season, to show greater activity and strength. Now that the power shortage is over, attention will be directed towards the returns from the big mines for the next few months. These should be quite remarkable before long, and will, beyond reasonable doubt, be the most practical demonstration of the increasing desirability of the shares. All these big mines have to go through the "prospect" stage, and many of the "prospects" now offered at a low price, will in the future rival the present big ones. How to pick these is the question. Two important "don'ts" in this connection immediately present themselves. Don't buy shares in a company that has no financial resources. Don't buy where the management is not both honest and efficient.

The firm in question thinks well of Dome, Lake Shore and Teck-Hughes. Regarding the latter, they say that the prospects for this property are at present extremely bright. Both Dome and Lake Shore are of a higher grade. The former has acted extremely well on the New York market during the recent bad break there, and when the big advance in the gold mines comes, and we think it is near at hand, this one should be a leader. Its present price is around 41. Lake Shore may require a little more patience, as its development is not handled in the same aggressive and up-to-date way as both Dome and Teck-Hughes, but with its low capital and splendid ore reserves, it would do much better in the long run. While the profit in buying one of the lower priced stocks may be larger, the risk must, of course, be greater, and more care is, therefore, required in the selection of these.

ALABAMA TRACTION

Alabama Traction, Light & Power Company reports earnings of its Alabama Power subsidiaries for the month of April as follows:

	1923	1922	Increase
Gross	$629,689	$417,607	$212,082
Oper. exp.	351,056	189,350	161,706
Net	$273,633	$228,257	$ 50,376

For twelve months ending April 30:

	1923	1922	Increase
Gross	$6,388,227	$4,660,444	$1,727,783
Oper. exp.	3,517,498	2,247,040	1,270,458
Net	$2,870,729	$2,413,404	$ 457,325

BUY STEEL ASSETS

If New Yorkers Carry Out Plan Shareholders Will Not Fare Well

The latest turn in L. R. Steel affairs is the report that New York interests have about concluded plans to purchase the whole Steel enterprise. The creditors' claims of $2,000,000 must be met and it is said $500,000 additional will take care of the deal. The head of the Stockholders' Protective Committee is making plans to resist the attack which would deprive them of any hopes of getting anything out of the wreck. However, lacking funds to take care of the creditors, it is doubtful if this opposition will get anywhere. Trustees in Bankruptcy will be appointed at Buffalo next week.

THORNTON CALLS FOR SKIPPER FOR IMMIGRATION BOAT

Railway Head Evinces Desire for Definiteness in Programme

From Our Own Correspondent.

MONTREAL.—E. W. Beatty, president of the Canadian Pacific Railway sailed to Europe this week and Sir Henry Thornton addressed a very important gathering of Quebec manufacturers on the subject of immigration. The two big railway systems perhaps more than any other section of the business communities realize the need for people to fill the vacant spaces in Canada. As the Canadian National Railways' president expressed it, "Canada's essential problem is the peopling of the country. This truth is indeed so obvious that it seems unnecessary to repeat. But how to go about it? The efforts of everybody seem focused on the stimulation of immigration, but one thing is distinctly lacking, that is some central co-ordinating official or personality who will insist on our focusing our undivided attention. This, I should think, is really the business of the government. We who live in a democratic country do expect something from our government. We need a skipper to take charge of immigration."

Not Enough Traffic

The thought that has been expressed before in these columns that the solution of the railways and taxation problems of Canada lies only in a larger population was the key-note of an important part of Sir Henry Thornton's pronouncement this week. In 1913 there were 25,400 miles of railway lines in Canada and 56,800,000 tons of traffic. In 1921 there were 31,771 miles of railway lines but the traffic had actually decreased to 55,300,000 tons. There is too much mileage and not enough traffic and that is the chief thing that is wrong with the Canadian National Railways. But Sir Henry does not propose to make the C. N. R. pay at the expense of the C. P. R. He makes it clear that this is not his policy despite what politicians at Ottawa may have to say. He points out, "there is nothing to be gained by the two principal railways of the country pinching a few car loads of freight from each other. There should be co-operation. What we need is more traffic and new traffic."

Sir Henry contributed a number of definite suggestions on the immigration problem. He evidently feels like so many others that because immigration is not a contentious subject that everybody is likely to agree that we need people without doing anything about it.

The Four Needs

Admitting the need for a central authority to co-ordinate efforts on immigration, Sir Henry suggests, first of all, a capable minister of immigration. Secondly, there should be effective propaganda abroad. Thirdly, there must be an organization to follow up the immigrants when they settle in Canada, and fourthly, there must be encouragement of the immigration of capital, for the industrial immigrants made up of artisans and industrial workers will follow the investment of capital in Canadian industries.

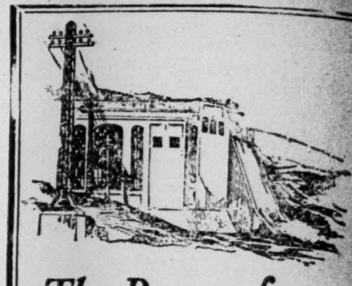
Enlarging upon these points, Sir Henry observed that in the United States the immigration problem had worked automatically. There was never any need to stimulate the influx of people. In Canada, however, it would be necessary to concentrate every effort to persuade foreigners to come here and live. That is not enough, for the new settlers who often imagine they are just moving from one European country to another.

Place People in Groups

The community centre idea for immigrants, especially in the west, was advocated. Groups of three hundred or four hundred families of one nationality should be sent to certain districts and centred around a village where there is a doctor, village stores and other common needs. They can then work out their own salvation in their own communities. The criticism would probably be made that islands of foreigners would thereby be created, but the second generation would probably be good Canadians. The alternative policy is to send agricultural settlers to desolate, lonesome spots on the prairies where they cannot be expected to remain in the country and become good citizens.

NEW PULP MILL FOR N.B.

St. Stephen, N.B.—That the Hollingsworth-Whitney Corporation, large pulp and paper manufacturers of the United States, would erect a pulp and paper mill here, was the statement made by David Maxwell, well known railway engineer of this town. He said that large tracts of land had been purchased by this Corporation and that they had secured water power rights on the St. Croix River.



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The Sterling Bank of Canada

Seventeenth Annual Statement

APRIL 30th, 1923

GENERAL STATEMENT

LIABILITIES

Notes of the Bank in Circulation		$1,149,835.00
Deposits not bearing interest	$3,261,690.35	
Deposits bearing interest (including interest accrued to date of statement)	14,254,168.64	
		17,515,858.99
Due to Dominion Government		2,900,000.00
Balances due to other Banks in Canada		364,459.85
Acceptances under Letters of Credit		13,100.00
Total Liabilities to the Public		$21,943,253.84
Capital Stock paid-up	$1,234,100.00	
Reserve Fund	500,000.00	
Dividends unpaid	1,836.00	
Dividend No. 65, payable 15th May	24,682.00	
Balance of Profit and Loss Account carried forward	36,178.68	
		1,796,796.68
		$23,740,050.52

ASSETS

Current Coin held by the Bank	$ 67,598.14	
Dominion Notes held	2,355,711.94	
Deposit with the Minister for the purpose of the Circulation Fund	66,000.00	
Notes of other Banks	134,225.21	
Cheques on other Banks	653,942.01	
Balances due by other Banks in Canada	5,270.30	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	246,183.95	
	$3,528,931.55	
Dominion and Provincial Government Securities not exceeding market value	10,592,867.23	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	1,335,051.88	
Railway and other Bonds, Debentures and Stocks not exceeding market value	304,575.94	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	67,467.79	
		$15,828,894.39
Other Current Loans and Discounts in Canada (less rebate of interest)	$7,157,437.57	
Overdue Debts (estimated loss provided for)	20,572.62	
Mortgages on Real Estate sold by the Bank	7,665.70	
Bank Premises, at not more than cost, less amounts written off	587,666.17	
Real Estate other than Bank Premises	12,573.33	
Liabilities of Customers under Letters of Credit, as per contra	13,100.00	
Other Assets not included in the foregoing	112,140.74	
		7,911,156.13
		$23,740,050.52

G. T. SOMERS, President.
Toronto, April 30th, 1923.

A. H. WALKER, General Manager.

AUDITOR'S REPORT

This statement has been duly vouched by comparing all entries with the books at the Chief Office and certified Returns from the Branches, and in my opinion is properly drawn up so as to exhibit a correct view of the condition of the Bank.

Cash and Securities have been checked at the Chief Office at 30th April, 1923, as well as at another time during the year, as required by Section 56 of the Bank Act.

I have obtained all the information and explanations required, and am of the opinion that the transactions of the Bank which have come under my notice have been within the powers of the Bank.

J. J. ROBSON, C.A., Auditor.

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RAILROAD EARNINGS

Earnings of the Canadian Pacific Railway for the week ending May 7th, amounting to $2,976,000 compared with $2,842,000 for the corresponding period in 1922, an increase of $134,000.

The Canadian National reports earnings for the week ending May 7th amounting to $4,363,723, or an increase of $457,615 over the previous year.

WILD LITERATURE CIRCULATED AS TO LABRADOR FIELD

Engineer Shown Report Over His Name That He Never Saw

CHANGE IN NORTH

Bearish Influences Which Surrounded Porcupine Camp Have Now Been Removed

Some wild literature has been issued about the Labrador gold fields. THE FINANCIAL POST has declared that the whole proposition is a wild gamble and seemingly this statement, as it relates to some of the promotions, was decidedly mild and conservative. Direct misrepresentation is being employed and when such tactics are employed those who would risk their money had better think twice.

Recently several columns of matter appeared in a New York paper and included was an alleged certificate of Ledoux & Co. giving assay values wonderful. In a letter to the Canadian Mining Journal, A. R. Ledoux says they never received a sample from H. C. Bellew or R. W. Edwards, the men they are supposed to have made the assay for, and never made such an assay or issued such a certificate. They asked that the false report be stopped but this they find is difficult to bring about. A veteran mining man who visited the placer fields, on his return to Montreal heard of a pretentious office on St. Catherine St., says The Journal. He discovered a window strewn with dollar bills. He entered. He was assured that Monte Cristo and Colonel Sellers were "pikers" in comparison with the men who found and who hold these very placers. Incidentally he was handed a report on the placers—over his own name.

"Do you know this engineer who made that report?" inquired the florid visitor.

"Oh, yes," rejoined the glib salesman.

Explanations ensued—with expletives. The engineer demanded that the faked report be suppressed.

The situation at Porcupine is now back to normal. The trying power situation is a thing of the past. The labor situation that made a few nervous has also passed. The labor trouble bulged momentarily. It was nothing but a bunch of agitators trying to work up a soft job for the summer. The response of the miners was disheartening to the agitators.

Kirkland Lake is driving ahead and Cobalt is coming back steadily. Lorraine has settled down to a real mining effort. There are a couple of new propositions coming to the front in this camp. It and Larder promise to be the new large producing sections of 1923. Matachewan should follow towards the close of the year and Lightning River promises to come along well. They have received the good news in Cobalt that the Lorraine road will be made passable. The traffic between these two points is growing steadily. The roadway at the present time is almost impassable.

That the Violet property of the La Rose will soon be producing again is the statement made by the Northern Miner. The new shaft has been completed. This property has been tied up for some time with litigation with the O'Brien and as a result a new shaft had to be sunk.

Railway Minister and St. Lawrence Power

From Our Own Correspondent.

MONTREAL.—The St. Lawrence River and its power possibilities were mentioned in the House of Commons when W. F. Maclean, M. P. of East York, asked if the minister of public works "had had any communication from the Hydro Electric Commission of Ontario in regard to the question of damming some of the waters of the St. Lawrence with the idea of developing water power on the St. Lawrence and in that way affording the commission an opportunity of developing a large amount of power which could be used for industry in Eastern Ontario and in a portion of Quebec? I believe the question has been under consideration, but I do not know whether the government has been in touch with the Hydro Electric Commission or not."

Hon. Mr. King replied that no proposals had been made to his department but he understood that the department of railways had had the matter before it.

No definite progress has been made on St. Lawrence power development since the resume of the situation that appeared in THE POST a few weeks ago. The international nature of the work will slow up any developments planned.

B.C. ELECTRIC RAILWAY

British Columbia Electric Railway Co. reports a slight increase in earnings for the month of March, 1923, over March, 1922, gross at $874,663, comparing with $849,680, and working expenses at $609,548, against $597,801. Net earnings total $265,115, compared with $251,879, an increase of $13,236. Aggregate gross earnings from July 1 to March 31 amounted to $7,830,216, against $7,771,665, and net earnings $2,359,530, against $2,159,740, an increase of $199,790.

A large dam will be erected at Calumet Island Falls this summer and the power produced taken to Ottawa, to be distributed by the Ottawa and Hull Power Company. It is estimated that 250,000 horsepower can be developed at the Falls. The dam will be about 300 feet wide and 85 feet high.

Ottawa Attack Affects Steamship Conference

NEW YORK.—Reductions of 20 to 25 per cent. have been made by the United Kingdom Conference of Steamship Lines in a number of important commodities which have been moving in considerable volume by non-conference lines. The rates on agricultural implements have been cut from 20 to 15 cents a cubic foot and from 40 to 30 cents for 100 lbs; macaroni has been reduced from 50 to 40 cents for 100 lbs.; wrapping paper from 40 to 15 cents a hundred and silk and silk goods from 75 to 60 cents a cubic foot.

It is said that as a result of attacks in the House of Commons at Ottawa against rate-fixing by conferences, more care will be exercised in preventing the proceedings of the United Kingdom conference from becoming public.

Outlook Not Good for Flour Sales in Britain

From Our Own Correspondent.

MONTREAL.—A not very optimistic view of the possibilities for flour export from Canada to the British Isles is taken by W. A. Black, vice-president and manager of Ogilvie Flour Mills, who has returned to Canada after visting European markets. As to prospects for export of Canada after visiting European markets. Black said that conditions there were about the same as here, flour production was away beyond consumption. As a result, prices had been cut below the possibility of a profit, British millers suffering just the same as those on this side from over-production and unprofitable prices.

This unfortunate position, said Mr. Black, was due to many causes. During the war there was an enormous demand for flour, and British as well as Canadian flour mills had increased their capacity to meet it. But since the war people had not been able to buy as they used to, and the demand had been greatly curtailed, while production continued, with the result of accumulation of stocks.

The only way out of such a situation would be for some of the mills in Great Britain and Canada to close down and cease production, because there was no prospect of increased consumption until there was increased general prosperity.

PUBLIC OWNERSHIP PLANT IS DAMAGED

Floods Provide New Brunswick Power Company With New Arguments

From Our Own Correspondent.

ST. JOHN.—The damage to the provincial hydro station on the Musquash River in New Brunswick by the floods, which carried away one of the dams there, besides inflicting much damage otherwise, is a strong argument for the New Brunswick Power Company in the fight against civic distribution in St. John.

The company has been asserting that the hydro station has been inefficiently built. The battle between the Daily Journal of St. John, the New Brunswick Power Company newspaper, and the Daily Telegraph and Evening Times, organs of opposing interests, has now been resumed with full vigor. The action of the St. John Power Commission in engaging a man to divide his time between St. Catharines, Ont., and St. John, as a hydro expert, has been censured by the Daily Journal.

Hearing on the company's plea for an injunction against the city of St. John building a competitive distribution system, is expected to take place soon. The first plea was denied by Chief Justice Hazen of the New Brunswick Supreme Court. The company, however, has not permitted the matter to rest with this setback, and is seeking an injunction again. On the second occasion the grounds for the injunction will likely be changed. The sale of the company to the city is still in the air, the price being the source of dispute.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the first week of May amounted to 11,519 tons, 10,082 tons of which were produced by the company's mines and 1,437 by other mines. From January 1, to May 7, the receipts totalled 164,853 tons.

WESTERN NATURAL GAS

The Canadian Western Natural Gas Light, Heat & Power Company reports earnings for the month of March amounting to $98,818 as compared with $109,480 for the corresponding month of last year, a decrease of $10,662. The aggregate earnings from October 1, 1922 to March 31, stood at $605,152 as compared with $615,346 last wear.

Mineral Output of British Columbia for 1922 Up $7,000,000

From Our Own Correspondent.

VICTORIA.—Mining production in British Columbia last year was valued at 25 per cent. more than in 1921, according to the complete returns issued by Hon. William Sloan, Minister of Mines. The mines output was worth $35,158,843, the report states, the actual increases over the previous year being $7,092,202.

Since these returns were compiled the mining industries of the province have continued their advance, and there is little doubt that by the end of the present year production will have reached a new level far above any previous mark. The value of the 1923 output is almost certain to be over $40,000,000 and may be even as high as $50,000,000.

Only three times in the past has the value of the province's mine output exceeded that of last year. In 1916, when the war brought its immense demand for copper, production went as high as $42,290,000. In 1918 the value was placed at $41,782,474, and in 1920 the figure was about $35,500,000.

The aggregate value of the province's colliery products last year was $12,880,000. Metalliferous products were worth $19,596,657.

The mines of British Columbia from the commencement of their operations up to and including the year 1922 have yielded products valued at $769,418,462. Of this total coal mining leads with a production valued at $238,289,565.

The figures follow:

	1921		1922	
	Quantity	Value	Quantity	Value
Placer, ozs.	11,660	$ 233,200	18,240	$ 364,800
Lode, ozs.	135,663	2,804,154	197,856	4,089,684
Silver, ozs.	2,673,389	1,591,201	7,101,311	4,554,781
Copper, lbs.	39,036,993	4,879,624	32,359,896	4,329,754
Lead, lbs.	41,402,288	1,693,354	67,447,985	3,480,316
Zinc, lbs.	49,419,372	1,952,065	57,146,548	2,777,322
Coal, tons	2,483,995	12,419,675	2,511,843	12,559,215
Coke, tons	59,434	416,038	45,835	320,845
Miscellaneous		2,077,030		2,682,126
		$28,066,641		$35,158,843

STOCK MOVEMENTS OF THE WEEK

Week Ending May 15

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	200	199	200½	199¼	199½	160
Dominion	12	200	199	199	199	199	24
Hamilton	12	169	167	171½	168½	168½	62
Hochelaga	10	151	150	151	151	151	8
Imperial	12	182½	181	182½	181⅞	182	52
Molsons	12	—	175	175	175	175	1
Montreal	12	247	244	246⅛	245	246⅛	321
Nationale	6	99	—	100	99⅜	99⅜	14
Nova Scotia	16	—	260	263	263	263	2
Royal	12	220	219	222½	219	219	193
Standard	14	208½	208	208½	208	208	88
Toronto	12	—	185	191	186	186	23
Union	10	—	136	137	136	136	195
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper, com.	4	67½	66½	67⅝	66½	67	670
American Salesbook, com.	—	37	35	35	35	35	55
Do., pref.	7	90	89	91	91	91	10
Asbestos Corporation, com.	6	—	62	64	63½	64	160
Do., pref.	7	86	85	85¼	85	85	120
Atlantic Sugar, com.	—	20¼	20	21	20	20	880
Barcelona Traction	—	18	17¾	18	17⅛	17⅞	1400
Bell Telephone	8	121⅜	121⅛	121½	121	121⅜	1374
Brazilian Traction, com.	4	48½	48	49¾	48¼	48½	5531
B. C. Fishing	—	18	16	17	16	16	459
British Empire Steel, com.	—	8½	7½	8	8	8	205
Do., 1st pref.	7	68½	67½	67½	67	67	527
Do., 2nd pref.	—	22¼	21¾	22	20¾	22	1879
Brompton Pulp	—	40¼	39¾	41	39½	40½	1512
Burt, F. N., com.	10	135	134	134	134	134	68
Canada Bread, pref.	7	95	94½	95	95	95	155
Can. Car & Foundry, com.	—	32	30	32	29	30	375
Do., pref.	—	74½	73½	75	73	74	640
Canada Cement, com.	6	83	82¼	83½	82½	82½	343
Do., pref.	7	—	102	103½	102½	102½	125
Canada Steamships, com.	—	18	17	17	16½	17	84
Do., pref.	—	52	51	51¼	50¾	51¼	395
Canadian Converters	7	95½	95¼	97¼	95	96	227
Canadian Cottons, com.	8	118½	117	120	117	118	436
Can. Woollens, com.	—	17¼	—	16	16	16	20
Can. General Electric, com.	6	102	101	102	98	101½	1172
Do., pref.	7	—	105	106	106	106	10
Can. Locomotive, com.	4	73	71	71	71	71	5
Do., pref.	7	98	97	98	97	97½	58
Canadian Pacific Railway	10	156½	156	159	155	156	323
Canadian Salt	8	110	—	110	110	110	10
Cuban Can. Sugar, com.	—	8¼	8	8¼	8⅛	8¼	60
Do., pref.	—	—	40	41	39	40	300
City Dairy, com.	10	145	140	143	143	143	15
Do., pref.	7	105	104	104	103	104	38
Consumers Gas	10	159½	158½	159½	158¼	159	554
Detroit United Railway	6	77	76	76¾	75¾	75¾	1327
Dominion Bridge	4	76	74	74½	74½	74½	50
Dominion Canners, com.	—	34	32	33	31	31	95
Do., pref.	7	89	87	87½	87¼	87½	31
Dominion Glass, com.	7	—	97	99½	97	97	692
Do., pref.	7	102½	101	102¼	102	102¼	103
Dominion Telegraph	6	45½	44½	45	45	45	5
Dominion Textile, com. (new)	4	68¼	68	70	66	69¾	2328
Dominion Steel Corp., pref.	6	77½	—	77	76	77	30
Duluth Superior	—	37½	37	38	35	37½	645
Goodyear Tire, pref.	7	93½	93	93½	93	93½	163
Howard Smith Paper, com.	6	77⅞	—	78½	78	78	10
Do., pref.	8	104	—	104	104	104	6
Illinois Traction, com.	—	54	52⅞	54	53	54	95
Do., pref.	6	87½	87	88	86½	88	175
Interprov. Brick, com.	6	—	67	67	65	67	8
Kaministiquia Power	8	125	119	119	119	119	64
Lake of Woods Milling, com.	12	179	176	177	177	177	1
Laurentide Paper	6	—	92	94	92	93	664
Lyall Construction	—	40	—	40	40	40	110
Macdonald, A., com.	—	—	7½	8	8	8	15
Mackay, com.	7	113	110	114	112	112	148
Do., pref.	4	—	68	68	68	68	93
Maple Leaf Milling, pref.	7	101	100½	100	100	100	56
Monarch Knitting, com.	—	—	40	40	40	40	25
Montreal Cottons, pref.	7	109	—	109	108	109	6
Montreal Light, Heat, Cons.	6	117	116½	117	116	117	623
Montreal Telegraph	8	—	52	52	51	52	40
Montreal Trams	10	145	—	143	143	143	6
National Breweries, com.	4	51½	51	52½	50¼	51	548
Do., pref.	7	95	—	95	95	95	5
Ogilvie Flour, com.	12	305	—	305	305	305	47
Nova Scotia Steel, pref.	8	—	85	85	85	85	20
Ottawa L., H. & Power, com.	6	86	—	85	85	85	60
Pacific Burt, com.	6	107	105	107	102	107	100
Do., pref.	7	107	105	107	106	107	40
Penmans, com.	8	—	155	156	156	156	25
Price Brothers	2	43¾	43½	44½	43½	43½	130
Porto Rico Railways, pref.	7	81	79	80½	80½	80½	1
Provincial Paper, com.	6	92	90	91	91	91	25
Do., pref.	7	97	—	97	96½	96½	25
Quebec Railway	—	25¼	24¾	27¼	25	25	12848
Riordon Pulp, com.	—	3	2¼	4	2	2⅜	1205
Do., pref.	—	7	—	7	7	7	110
Port Hope Sanitary, com.	—	—	54½	54	54	54	25
Do., pref.	7	89	88	88¾	88¾	88¾	2
Rogers, Wm., pref.	7	90	—	90	90	90	14
Shawinigan Water & Power	7	117	—	117	115½	116¾	496
Sherwin Williams, com.	6	110	—	110	110	110	25
Do., pref.	7	—	100	100	100	100	19
Spanish River Pulp, com.	7	92½	91½	94	91½	91¾	880
Do., pref.	7	102	100	103½	100½	100½	966
Steel of Canada, com.	7	75½	75	76¾	75	75½	956
Do., pref.	7	102	100½	101½	100¼	101½	120
St. Lawrence Flour, com.	6	68	—	65¼	65	65	20
St. Maurice Paper	5	105	103½	106¼	103	103	420
Toronto Railway	—	84	83	84	82½	83	384
Tuckett Tobacco, com.	4	54	52	54	53	53	80
Twin City, com.	—	—	65½	66½	64	65	640
Wabasso Cotton	4	82	—	81⅛	81⅛	81⅛	150
Wayagamack Pulp	—	57¼	—	57¼	56½	57¼	80
Western Canada Flour	8	110	105	106	105	105	40
Winnipeg Electric, com.	—	35	34½	35½	34½	35	480
Do., pref.	7	86	85	86	85	85½	78
Can. Landed	10	—	78½	80	80	80	10
Can. Permanent	12	186½	184	185½	185	185½	33
Colonial Investment	6	8¼	8	8	8	8	50
Huron & Erie (20% paid)	—	—	20	20	20	20	12
Toronto Gen. Trusts	12	—	202	202	202	202	3
Toronto Mortgages	10	—	81	81	81	81	10
Union Trust	7	—	92	92	92	92	20

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U.S. PAPER MILLS SEEM RESIGNED TO EMBARGO ON WOOD

Government at Ottawa Will Appoint Commission to Study Problem

IS PROBE NECESSARY?

All Facts Available, Says Frank J. D. Barnjum, Who Says a Commission is Evidence of Insincerity

From Our Own Correspondent.

MONTREAL.—The government at Ottawa proposes to make a study of the question of prohibiting the exportation of pulpwood cut on privately-owned timber lands in Canada. The government plan of studying the question does not meet with the favor of those who have long argued for such prohibition but it at least focusses public attention on the subject.

The government policy was announced in the budget speech of the Hon. W. S. Fielding, when he said:

"The question of forest conservation has of late commanded ever-increasing interest. Where a country has a lavish supply of anything, we are apt to be careless in the conservation of it. Too often it has been assumed that there is no limit to the forest wealth of Canada. Those who have given the matter closest attention realize that with the extensive operations of the lumbermen, the immense damage by fire and by insects, a timber famine in Canada is by no means impossible. Every effort that can be made in the way of conservation should be and is being encouraged. From some enthusiasts there is a call for more drastic methods. It is proposed that we prohibit the exportation of pulpwood. In several of the provinces this prohibition is already in effect through provincial regulations. Only the federal parliament can prohibit any exportation, but where provincial governments are owners of timber lands they can in their leases stipulate the conditions under which operations shall be carried on. In this way several of the provinces have practically prohibited the export of pulpwood. But there are in all the provinces private lands which are not subject to provincial restrictions. The object of the movement to which I refer is to prohibit the export of wood by these private owners. Such a policy, while it would find favour in some quarters, would certainly be objected to by the private land owners, who will argue that they should be as free to dispose of the products of their land as other land owners are. Before reaching a conclusion in this matter, we think there should be a more thorough investigation than there has been before and we shall therefore, during the recess, endeavour to find suitable persons, one or more, to inquire into the matter and get all the information which it is possible to obtain before coming to a conclusion."

Says No Need for Inquiry

Mr. Frank J. B. Barnjum, who more than any other individual has been responsible for arousing public sentiment in this regard, is convinced that the government plan lacks sincerity. He stated this week that if the government is sincere in its announced desire to investigate the question of stopping exportation of unmanufactured wood from Canada it can find plenty of convincing evidence towards such a policy at very little expenditure of time and money. Mr. Barnjum sees no need for a further commission of inquiry. Further comments that he made this week were as follows:

"The reason I say the action lacks sincerity is that I have had the personal assurance of most of the ministers of the Government, including that of the Prime Minister and of the Minister of Finance, that they have already looked into the matter and have become fully convinced of the seriousness of the forest depletion now going on in Canada and of the disaster it threatens to the physical and economic welfare of the country.

"A year ago I made an offer to the Minister of Finance to bear the entire expense of a committee of his own appointing to examine into the forest situation, and promised that if their findings were not more alarming than anything I had described I would cease to agitate for forest conservation. He declined my offer, because, he said, to accept would be to cast doubts on my statements, to which I replied that if he accepted my statements as true and yet failed to act upon them he was derelict in his duty to his country.

"The present situation is that for many years past, 50 per cent. of the pulpwood cut in Canada has been exported to the United States, bringing in but an inconsiderable return to this country. Our forests are being rapidly exhausted. What with the losses sustained through fires, insects and other destructive agencies, we are within measurable distance of the commercial exhaustion of our supply. The devastation that is going on has a deleterious effect upon our climatic conditions and will eventually affect a large part of our developed and undeveloped hydro-power.

"There is still time for the Government, at this session of Parliament, to disregard its feeble attempt to deal with the situation and put on the statute books a law that will protect Canada's forests from the ruthless exploitation to which they are now being subjected and to conserve one of our greatest national assets for the country's own benefit."

Would Mean $60,000,000

Mr. Barnjum in speaking to THE FINANCIAL POST this week pointed out that over a number of years an average of one million cords of wood a year has been shipped to the United States from privately owned lands. If an embargo were placed upon the export of this pulpwood and it were required to be manufactured into pulp or paper in Canada it would mean an addition of between $55,000,000 and $65,000,000 to the annual exports of Canada, most of which would be in the way of wages to Canadian workmen. Mr. Barnjum does not take seriously the plea that if Canada put an embargo on exportation of pulpwood that the United States would retaliate by placing an embargo on the export of coal. He points out that the United States for many years has ignored Canadian interest in effecting its tariff schedules and other matters and could hardly go further than it has. He recalls, too, the words of George D. Cushing, an American coal expert who spoke at the Canadian Mining Institute this spring and who stated that the American coal operators were anxious to develop the Canadian market and would even compete with Canadian coal by reducing prices if necessary.

Embargo Taken for Granted

In any event the American newsprint manufacturers and publishers seem to take it for granted that some such embargo will be placed upon the export of Canadian pulpwood and that it will be essential for the American mills in many cases to move to Canada. The statement of P. T. Dodge, the president of the International Paper Company who anticipates that the Canadian mills will increase their newsprint business at the expense of American producers, is significant. He complained the other day of the lack of protection against the European and Canadian competition. Canada is able to manufacture paper from wood which is obtained largely at a low price from crown lands without capital invested on the part of the manufacturer. Mr. Dodge made a protest against the embargo on the export of pulpwood from crown lands which is now in force and declared that the result of the American policy of free trade in paper is that the United States is producing from year to year a decreasing percentage of the total consumption of newsprint while on the other hand, foreign mills and notably those of Canada, are being rapidly extended. Such an influential newspaper as the New York World in answer to Mr. Dodge, makes it clear that the American manufacturer cannot hope for relief by the lifting of the Canadian embargo but must come to Canada to manufacture if they wish to meet the situation.

CUBAN-CANADIAN INCREASES PROFITS

Expected to Show Earnings in Neighborhood of $600,000 This Year

From Our Own Correspondent.

MONTREAL.—Despite the decreased production of sugar on its plantations the Cuban-Canadian Sugar Company expects to do much better this year than in 1922. Preliminary estimates of the profits for the fiscal year ending June 30th, next, set the earnings after bond interest, at close to $600,000. This compares with $48,000 after interest and depreciation in 1922, and a loss of one and three-quarter million dollars in 1921.

The company's production of sugar last year was 237,000 bags, but this year this has been reduced to 162,000 bags. On the other hand a much higher price is being obtained. Early in the season the company was getting about 3½ cents for sugar, but recent sales were made at 6 cents per lb.

There is no suggestion of the immediate resumption of preferred dividends which are now 20 per cent. in arrears. It is quite likely that the company will use a large part of its earnings for some time to come to pay off a part of the bonded indebtedness which is quite heavy.

PUBLIC SENTIMENT TURNS TO UTILITIES

Corporations Base Claims for Good-will on Service to Their Communities

From Our Own Correspondent.

MONTREAL.—Russell D. Bell, of Greenshields and Company, investment bankers, has returned from White Sulphur Springs where he attended a gathering of the public utilities section of the Investment Bankers' Association of America. Mr. Bell states that the bankers present at the conference reported an almost universal change of public sentiment towards public utility companies. It is now recognized that the companies must be allowed to earn reasonable returns upon their investments and without undue restriction. On the other side, the public utility companies have learned that they must base their claims for public goodwill upon service and are taking their customers into their confidence regarding their operations.

The conference discussed at some length the plan of Governor Smith, of New York, to take control of the utilities of the state away from a state commission and put them under the jurisdiction of the local municipalities. The plan of the governor is being fought by investment bankers for it is felt that it might establish a precedent that would be followed in other parts of the continent—including some of the Canadian provinces—where public utilities are under the jurisdiction of provincial public utility commissions and similar bodies operating under different names. The bankers feel that the governor will drop his plan. If it were carried through the political element would again creep into public utility relations with the public.

Suit for $300,000 brought against John M. Van Heusen by John B. Bolton inventor of fabric used in Van Heusen collar, asking accounting of 30 per cent. of profits in accordance with verbal agreement.

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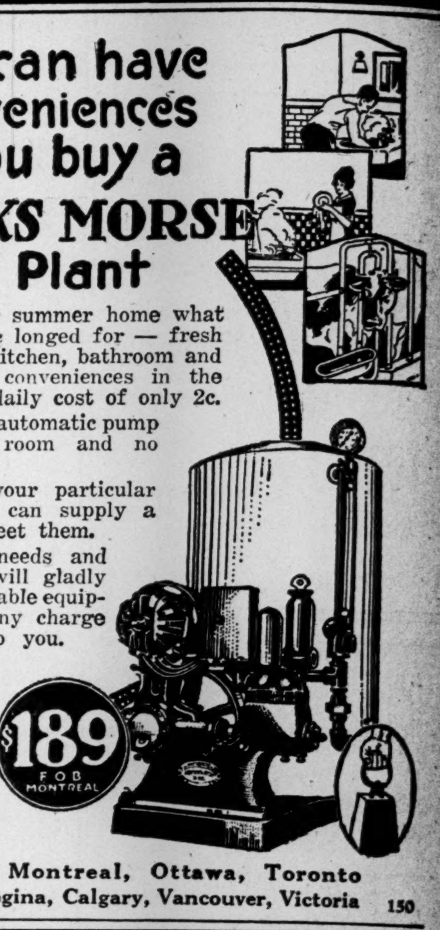

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QUEBEC RAILWAY WILL HAVE MORE TRANQUIL FUTURE

New Interests in Control and Will Survey Their New Purchase

JULIAN SMITH HEADS

Stock of Quebec Railway That Changes Hands Under Deal in Possession of Shawinigan Water and Power Co.

From Our Own Correspondent.

MONTREAL.—Everything has transpired as expected in the Quebec Railway situation and the company has entered into another and probably more tranquil stage of its career. It is now under the control of the Shawinigan Water and Power Co., which augurs well not only for the bond holders but also for the stock holders and for the citizens of Quebec City who get their railway and gas service and part of their light and power service from this company.

As forecast last week the president, E. A. Robert, has resigned and a new board of directors has been appointed including some of the former directors of the company who have been interested in its operation for a long time and representatives of the Shawinigan Co. Julian C. Smith, of Montreal, vice-president and general manager of the Shawinigan Water and Power Co., becomes president.

Maturities Are Financed

The financing of the maturing issues of underlying bonds of the Quebec, Montmorency and Charlevoix Railway Co., which fall due on June 1st, is arranged. The Shawinigan Water and Power Co. has purchased the $2,500,000 of 5 per cent. consolidated mortgage bonds of the Quebec Railway, Light and Power Co., due 1934 and as this leaves a balance necessary to meet these impending maturities, because the 5 per cent. are selling so far below the market value, the Shawinigan Co. has also advanced sufficient funds to make up the necessary principal sum of the maturities.

A further sum has also been advanced in order to meet the full interest on the maturing bonds as well as on the outstanding 5 per cent. consolidated mortgage bonds.

Two Companies Are Subsidiaries

No announcement has been made regarding the possible amalgamation of Quebec Railway with Quebec Public Service Corporation which is a subsidiary of Shawinigan. Mr. Smith has stated that only after a very thorough survey of the physical assets and business prospects of the company has been made will the management make recommendations to the board of directors relating to the changes in the organization of the company. However, it is possible that the Quebec Railway will be joined with the other company to the end of avoiding duplication of expenses wherever possible. Both companies now rank as subsidiaries of Shawinigan.

The actual change of control of the company has been brought about by the acquisition by the Shawinigan Company of a large block of shares in Quebec Railway, sufficient to give the Shawinigan Company control of the situation. Mr. Smith indicates that the company's properties will require very substantial sums to be expended both in the railway, light, power and gas departments in order to provide adequately for the additional business which is available.

The new board of directors consists of the following gentlemen:

Board of Directors

Julian C. Smith, Howard Murray, W. S. Hart, C. E. Taschereau, M.P., J. H. Fortier and James McCarthy, representing the new interests, and Hon. Lorne C. Webster, Hon. J. P. B. Casgrain, Hon. A. Turgeon, Hon. D. O. L'Esperance and Charles G. Greenshields, K.C., of the former board.

Officers.

Julian C. Smith, president; Howard Murray, vice-president; W. S. Hart, treasurer; James Wilson, secretary, and Arthur Lemoine, assistant secretary.

Quebec's Public Relations

The question of the relationship of the Quebec Railway with the citizens of Quebec comes up now. Undoubtedly Shawinigan is in a position to improve the service to the public and should find it even easier to arrange equitable terms of operation than the Robert group. Mr. Robert planned to make arrangements with the city for operation of the tramways and gas service on the cost plus fair interest return basis that is in operation between the city of Montreal and the Montreal Tramways. Whether or not the new interests will attempt to work out a similar plan remains to be seen.

GAS RIGHTS EXTENDED

By an order in council passed at Ottawa, the City of Medicine Hat is given control of the natural gas rights of all the school lands as well as the general rights of all townships 12 and 13 range 5, and 12 and half, of 13, range 6. The general rights have been held by the city for some time, but now school land rights undisposed of, are included. The reservation was secured to prevent the exploitation of the gas and conserve the city's supply.

The United States District Court, New York, has decided that the prohibition act which limits physicians to the amount of whiskey they may prescribe is void; that a physician may prescribe as much whiskey as he desires for a patient.

Maple Leaf Milling Adding Another Unit

From Our Own Correspondent.

MONTREAL.—The trade in the Orient of the Maple Leaf Milling Company is growing so rapidly it is understood that another mill will be added to the already long chain owned and operated by this comapny. The mill to be purchased is an old established one in the West.

This will bring the daily capacity close to 30,000 tons it is stated, which will put Maple Leaf in the front rank of Canadian flour milling enterprises as to production.

TEXTILE LEADERS ARE IN CONTROL OF PATON

Old-Established Firm Passes to Other Textile Interests

From Our Own Correspondent.

MONTREAL.—A group of five leading Canadian business men in the textile industry have taken over control of the Paton Mfg. Co., at Sherbrooke. This company is the largest and the oldest woollen manufacturing enterprise in Canada. The company has been very successful but it has been known for some time that the controlling stock was for sale. Negotiations have been carried on quietly and there was some surprise occasioned when the new interests were announced.

Among the group are Sir Charles Gordon, Sir Herbert Holt, F. G. Daniels, general manager of Dominion Textile Co., and Charles R. Hosmer. It is understood that for some time at least the company will remain as a separate unit. It has been suggested that later it would link up with one of the other textile companies and Penman's has been mentioned in this regard. However, THE FINANCIAL POST learns that this is not the present plan and little reorganization will be undertaken. The property will be extended to some extent and an aggressive expansion of the business of the company which normally runs around $2,000,000 a year, is planned. The new interests will take an active hand in the management of the company.

PROGRESS MADE ON BIG POWER SCHEME

Over a Million Already Spent On Grand Decharge Hydro Development

From Our Own Correspondent.

MONTREAL.—The visit of John D. Duke, president of the Quebec Development Co., to the extensive works of the company in the Lake St. John district calls attention to the progress that has been made on this gigantic water power development. During the winter about $1,000,000 has been spent and a coffer dam has been built across the Saguenay River preliminary to the drying up of a half-mile stretch of the bed of the Grand Decharge where will be constructed permanent dams and a hydro electric plant in the channel a few miles below Lake St. John.

The Quebec Development Company owns in fee simply the water power rights on that stretch of the Saguenay River between the outlet of Lake St. John and Kenogami. Between these two points, a distance of about 25 miles, there is a drop of 300 feet and it is proposed to make this stretch the scene of the two power developments. The upper on the Grand Decharge will give a head of 100 feet and the lower development a few miles below the mouth of the Shipshaw River, will give a head of 200 feet. The capacity of the power plant will ultimately reach 390,000 h. p. and will entail an expenditure estimated at $12,000,000. The power house is to be part of the dam.

The company has already disposed of 200,000 h. p. to Price Bros. & Co., the big Quebec newsprint manufacturers, who have undertaken to build a new paper mill with the capacity of 600 tons of newsprint daily. All machinery in this mill will be operated by electric power and the boilers will be heated electrically. It is estimated that this huge mill will cost in the neighborhood of $15,000,000. Sir William Price, president of Price Bros. & Co., is associated with Mr. Duke in the Grand Decharge power development.

It is expected that the development will produce the cheapest power ever produced in Canada.

Chicoutimi Companies Cut Their Capitalization

From Our Own Correspondent.

MONTREAL.—Reduction in the capital of the Chicoutimi Pulp Company and of the Chicoutimi Light and Power Company was effected chiefly because of taxation. The Chicoutimi Pulp common stock is cut from $4,100,000 to $400,000 and the Light and Power Company's stock from $1,500,000 to $400.000. As both companies are owned outright through stock ownership by the Saguenay Pulp and Power Company the holdings of the company are not affected.

LOEW'S TORONTO THEATRES

It is officially reported that the net earnings of Loew's Toronto Theatres Limited, for the month of April were $35,286. This is more than one year's interest on the total outstanding bond issue. The net earnings for the month of March were $30,198, a decided upward tendency, the earnings for April being $5,087.57 in excess of those for March. On June 1st, $43,000 of First Mortgage bonds will mature and the company has already made provision for meeting this payment.

NATIONAL LINES SHOWED DEFICIT FOR FEBRUARY

A Setback Compared With Recent Improved Showing

WEATHER BLAMED

Net Revenue of the Canadian Pacific Reduced; Operating Ratio Increased

The recent improvement in the earnings of the Canadian National Railways was not evident in the returns for February, when an operating deficit of $2,885,144 was shown as compared with a deficit of $1,409,327 for February of 1922. However, it should be pointed out that severe weather operating conditions were a factor in the situation. The net operating revenue of the Canadian Pacific was reduced from $702,522 for February, 1922, to $217,003 for the same month this year. According to the monthly transportation report, issued by the Dominion Bureau of Statistics, the net operating ratio of the Canadian National lines for the month was 121.82 as compared with 110.58 for February, 1922, while the much better showing of the Canadian Pacific was due to the fact that the operating ratio was only 98.01 compared with 93.87 a year ago. The operating ratio for all lines rose from 100.53 per cent. to 106.41 per cent. The following summary shows the increase in operating costs with a slight contraction in operating revenues:

Month of February, 1923

	1923	1922
Operating Revenues—		
Freight	$21,106,755	$21,278,938
Passenger ...	4,461,430	4,391,126
Mail	590,251	607,337
Express	893,147	968,478
Other Freight	7,104	4,922
Other pass'gr.	363,228	338,247
Water lines ..	44,180	40,445
All other ...	949,604	940,906
Total	$28,415,703	$28,570,401
Operating Expenses—		
Maint. of way	4,625,877	4,377,974
Maint. equip't	7,340,325	7,465,882
Traffic	1,019,577	931,015
Transportati'n	15,952,868	14,753,999
Misc. oper. ..	378,756	373,586
General	935,907	903,290
Trans for inv.	Cr. 16,184	Cr. 83,943
Total	$30,237,128	$28,721,805

On the operations of the first two months of the year the Canadian National Railways had a net operating deficit of $3,263,125, as compared with $2,079,734 for the same months last year. The Canadian Pacific's net operating revenue was $751,873, as compared with $1,164,532 for the same months last year.

During the first two months the railways reported increases in both freight and passenger traffic, but a much larger increase in expenses. In January freight traffic increased about 36 per cent., but the increase in freight revenue was only 19.8 per cent. Passenger traffic increased 6.5 per cent., while revenue increased 7.9 per cent. In February freight traffic was slightly heavier, but freight revenue was about one per cent. less; passenger traffic and revenue showed an increase.

In January operating expenses were 9.6 per cent. greater than during the same month in 1922; while in February operating expenses showed an increase of 5.3 per cent. More employees were required to operate the railways during these two months than was the case last year. In January the increase in the payroll was 9.4 per cent. In February the number of employees was 7.2 per cent. greater than for the same month last year, whereas the increase in the payroll was 8.2 per cent.

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MONEY, BANKING AND EXCHANGE

TO PASS BANK ACT IS THE POLICY OF THE GOVERNMENT

But The Progressives Are Pressing For Postponement

The Speakman motion calling for the postponement of the Bank Act Revision until next session expresses the opinion held by a large section of the Progressives from the early days of the session. It has become the stronger as a result of the action of the Canadian Council of Agriculture, the Alberta legislature and the Manitoba government in suggesting postponement until next session. It is urged that the committee has heard so much evidence that it can't digest it all in time to permit of as thoughtful action as is desired; that the ability to expand or contract credit places such power in the hands of the banks that the whole subject needs to be gone into very thoroughly, and that revision should not be completed until a decision has been reached on long-term loans to farmers.

The feeling shown on Tuesday, when the Speakman motion was considered, suggests that the situation created in the House through the Budget has not contributed to speedy action by the committee. The Progressives had decided some time ago to press for postponement, but as the line-up on the Budget approximates to that on the question of postponement of the work of revision, this undoubtedly has not helped matters any. The opposition to delay has won the first round through the ruling of Chairman Maclean on a point raised that the Speakman motion was out of order, the reason being that it runs counter to the express order of the House that the committee shall proceed with the consideration of the amendments.

The amendments bill to be disposed of would seem to assure a couple of weeks of discussion in committee in any event. An attempt is being made to draw a distinction between the strict work of amending the Bank Act and the matter of long-term credits; but it is improbable that the Progressives will consent to the bill being reported until the question of farm credits has been thoroughly discussed and some conclusion arrived at.

Better Farm Credits

One thing seems to be certain, namely, that action on farm credits of some kind or another will be taken. Whether this session or not remains to be seen, but Liberals, Conservatives and Progressives alike are agreed on this point that something will have to be done. It is quite probable, however, that the Progressives will insist on action before the work of revising the Bank Act is finished.

The production by Mr. Good of a large bundle of answers to a questionnaire sent out by the Progressives on the Bank Act has aroused much interest, though as yet their general nature is not known. Certainly the subject is being much more closely followed by the public than it was at the time of the last revision. The Alberta members who are most aggressive in the discussion are of the opinion that their position will receive more general support the more the discussion goes on.

The introduction of the Merchants Bank affair is another factor that makes the length and nature of the hearings and findings of the committee rather uncertain.

LEAVES FIELD TO ROYAL

Advices from Havana state that Pedro Gomez Mena i Hijo has retired from the banking field, effective April 30, in favor of the Royal Bank of Canada, the accounts and deposits of the former having properly and with creditable efficiency, been transferred to the latter to the satisfaction of all concerned. The Gomez Mena is one of the largest private banks in Cuba and has many branches located in widely separated districts, but has given up the banking business because of imperative demands made upon the firm from other and more profitable enterprises in which they are engaged.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	May 10, 1923	Change	%
Montreal	$128,104,843+	$ 1,360,938	1.0
Toronto	101,721,307—	266,007	.2
Ottawa	13,199,518—	567,430	4.1
Hamilton	6,064,496+	146,197	2.4
Quebec	4,891,624—	541,632	9.9
Halifax	4,568,482+	229,287	36.8
London	3,306,073+	208,718	6.7
Windsor	3,125,748—	524,255	14.3
St. John	2,686,861—	117,736	4.2
Moncton	1,517,523+	109,914	7.8
Kitchener	1,243,475+	12,075	.9
Brantford	1,101,084+	15,842	1.4
Peterboro'	919,751+	58,745	6.8
Sherbrooke	779,205—	355,468	31.3
Kingston	718,062—	68,087	8.6
Total East	$274,948,052+	$ 701,101	.2

WESTERN CITIES

	May 10, 1923	Change	%
Winnipeg	$ 64,426,118+	$20,044,979	45.1
Vancouver	14,390,187+	478,101	3.4
Calgary	4,839,732+	157,131	3.3
Edmonton	4,174,216—	310,820	6.9
Regina	3,048,666—	39,799	1.2
Victoria	1,808,038—	448,488	19.8
Saskatoon	1,544,490—	205,614	11.7
Moose Jaw	1,070,464+	21,469	2.0
Ft. William	880,604+	197,233	28.8
Brandon	584,321+	61,369	11.7
N. Westminster	557,937+	21,265	3.9
Lethbridge	495,464+	23,003	4.8
Pr. Albert	363,350+	40,525	12.5
Medicine Hat	276,625—	53,903	16.3
Total West	$ 98,460,212+	$19,986,451	25.4
Grand total	$373,408,264+	$20,687,552	5.8
Year to date	$5,568,024,148—	$150,926,128	2.6

Bulk of Cheques Are For Small Amounts

In connection with the reduction of the maximum stamp tax it may be pointed out that it has been estimated that about 95 per cent. of cheques issued in the ordinary course of business are for sums under $1,000 and fully 60 per cent. of all cheques are for sums under $50. It will thus be seen that it is big business and particularly transactions of a financial character such as bond trading which are chiefly concerned with the reduction in the maximum cheque tax announced by the government.

BIGGER BANKS ARE THE MORE USEFUL

Earnings Have Shown Material Decline in Ten Year Period

Have bank mergers made for cheaper banking?

This point was dealt with by Sir Edmund Walker before the Commons Banking Committee recently. He said:

I want to show that the creation of large banks and the amalgamation, about which there is so much discussion, is really a great service indirectly to the public and I will elucidate it in this way:

"Return to shareholders on investment 1913 to 1922, 6-6½ per cent. per annum.

Earnings in proportion to deposits, capital and rest—1913, 1.43 per cent.; 1922, .94 per cent.

"Number of shareholders 1st December. 1922:—10 shares or less, 4,218; 11-25 shares, 1,703; Over 25, 1,342; Total, 7,263.

"Loans exceed deposits in all west.

"Throughout bank deposits over $1,000 rarely as much as 10 per cent. of whole."

Now that is exactly what has taken place in the service of banks to the people of Canada. The big banks, by their lesser overhead expense, by their greater economies, by the effective use of all their powers, are serving the public more usefully than they did when they were separate institutions, with separate boards, and so on. As a matter of fact, the rate at which these are declining is a matter of great import to the banks. I would like to put it on record that there is a difference in ten years from 1.43 per cent. to .94 per cent. In respect to the great increase in the bank premises account of banks, I think we should not overlook the fact that in the last ten or fifteen years the number of branches, whether rightly or not, has tremendously increased. For instance, take when I went to look at the accounts of my own bank in 1890, we probably owned forty offices. Now we have 550 branches, and probably own 450 offices.

MANY NEW ELEVATORS

New Structures Planned Practically All Across the Dominion

The present year will see many new grain elevators erected in Canada. The following are the most recent announcements:

Montreal Harbor Commission, 14,000,000 bus. capacity. Will have five ship loading berths, each with a capacity of 30,000 bus. an hour.

Jas. Stewart Grain Co., Pt. Arthur, 1,500,000 bus. capacity.

Saskatchewan Elevator Co., 25 new elevators.

Doukhobors, Lundbreck, Alta., 65,000-bushel elevator and 125-barrel flour mill.

Kamloops-Vancouver Co., Ltd., 150,000-bus. elevator at Kamloops.

Floods Have Handicapped New Brunswick Mills

From Our Own Correspondent.

ST. JOHN.—Lumber milling conditions have been greatly disarranged in New Brunswick and Nova Scotia owing to the floods. Many of the saw mills have been damaged to a considerable extent. In a number of the mills, the water was fifteen feet in height. Some of the smaller mills were washed away in fragments after being uprooted by the onrushing torrents in the swollen rivers.

Normal conditions will not be restored this milling season from present indications. The ruin of so many mills and the damages to so many others coincidental with the loss of working time will reduce the milling production of the season from that originally intended. It was expected that this season would be one of the biggest milling seasons in many years.

Exchange

NEW YORK FUNDS

May 10—Funds opened at 2 per cent. premium, and closed unchanged from the previous close at 1 31-32.

May 11—Opening at 1 15-16, funds dropped to a low of 1 7-8 and closed at 1 29-32.

May 12—Funds opened unchanged at 1 29-32 and rose at the close to 1 15-16.

May 14—Funds opened unchanged at 1 15-16 and rose at the close to 2 per cent.

May 15—Opening at 2 per cent, funds touched a high of 2 3-64 and closed at 2 1-32.

May 16 Funds opened at 2 per cent., dropped to a low of 1 31-32, and closed at 2 1-16.

STERLING, FRANCS AND LIRE

	Demand Sterling	Demand Francs	Demand Lire
May 10	4.60½	6.59½	4.75
May 11	4.61⅞	6.60	4.82½
May 12	4.62⅛	6.58½	4.86
May 14	4.62½	6.63½	4.88½
May 15	4.62⅞	6.67	4.86
May 16	4.62⅜	6.66	4.83½

STERLING BANK SHOWS BUSINESS AGAIN EXPANDING

Current Loans Show Increase Over Last Year

The fact that the annual statement of the Sterling Bank of Canada for the year ending April 30th showed an increase rather than a contraction in current loans may be taken as an indication of the renewed demand for money for current business in recent months. The total of such loans at the end of the year was $7,157,437, an increase of $104,051. This and the fact that total assets of $23,740,050 showed an increase of $295,824 were among the most encouraging features of the report. There was some decline in earnings as a result of conditions prevailing but the bank was able to maintain its very high ratio of liquid assets to both total assets and to liabilities to the public. The net profits of $243,350 compared with $260,694 for the previous year and $255,976 for the period ending in 1921. After providing for dividends and taxes the sum of $115,000 was appropriated for the contingent fund. Details follow:

	1923	1922	1921
Bal. for.	$ 38,034	$ 37,565	$ 42,943
Net prof.	243,350	260,694	255,976
	$ 281,384	$ 298,259	$ 298,919
Dividends	98,658	98,618	98,418
Reserve			50,000
Taxes	31,550	31,606	29,935
Contingent	115,000	130,000	83,000
Balance	36,178	38,035	37,564
	$ 281,386	$ 298,259	$ 289,919

The balance sheet shows that both savings deposits and demand deposits recorded an increase. Other changes are also shown in the following comparative summary:

Immediately Available Liquid Assets

	1923	1922	
Specie	$ 67,598	$ 75,214—	$ 7,616
Dom. Notes	2,355,712	2,089,364+	266,348
Nt. cir. dep.	66,000	66,000	......
Nts. bank	134,225	175,509—	41,284
Bank bal.	5,270	5,000+	270
Do. ab'd.	246,184	327,667—	81,483
Gov. secs.	10,592,867	10,413,247+	179,620
Cheques	653,940	764,465—	110,523
	$14,121,798	$13,916,466+	$205,332
% total asset	59.5	59.4 +	.1
% total liab. to pub.	64.4	54.4	......

Other Assets

	1923	1922	
Pub. sec.	$ 1,335,052	$ 1,384,993—	$ 49,941
Other sec.	304,576	303,423+	1,153
Call loans	67,468	55,566+	11,902
Current	7,157,437	7,053,386+	104,051
Over debts	20,573	19,860+	713
Lets. of cr.	13,100	15,447—	2,347
Premises	587,666	575,108+	12,558
Other assets	112,141	117,244—	5,103
Mortgages	7,666	2,733+	4,933
Real est.	12,573	......+	12,573
	$ 9,618,252	$ 9,527,760+	$ 90,492
Total assets	$23,740,050	$23,444,226+	$295,824

Liabilities to Public

	1923	1922	
Cir'l'tion	$ 1,149,835	$ 1,121,529+	$ 28,306
Dem. dep.	3,261,690	3,822,408—	560,718
Savings	14,254,169	13,530,689+	723,480
Due banks	364,460	157,211+	207,249
Acceptances	13,100	15,447—	2,347
Due Do. Gt.	2,900,000	3,000,000—	100,000
	$21,943,254	$21,647,284+	$295,970
Capital	$ 1,234,100	$ 1,232,900+	$ 1,200
Reserve	500,000	500,000	......
Dividends	26,518	26,007+	511
Balance	36,178	38,035—	1,857
	$ 1,796,796	$ 1,796,942	$ 146
Total liab.	$23,740,050	$23,444,226+	$295,824

President G. T. Somers, in his annual address, pointed out that there had been a steady regular improvement in earnings during the last six months of the year. This fact, coupled with the present position of depositors, and the demand for money from farmers and others for increase in agricultural operations and for new commercial ventures, were evidences that the coming year was going to be an easier one in which to obtain business than the year which had gone by. "I am firm in my belief," he concluded, "that the coming year will be a better year from every standpoint for Canadian farmers. Especially in Ontario is he in a better position than he was even at this time last year. Labor costs are gradually reducing; he has a greater supply of feed with which to carry on; he can depend more upon prices because of a general tendency for stabilization and in many instances better prices."

Bank Premises Worth Seventy-Seven Millions

The market value of real and unmovable bank property in Canada is now $77,441,482. The growth of this total has been rapid as shown by the following table:

	Bank Premises	Real Estate Other Than Bank Premises	Total
1890	$4,187,572	$1,027,107	$5,214,679
1900	6,496,104	1,145,701	7,641,805
1910	25,191,619	1,360,966	26,552,585
1920	60,376,915	4,323,027	64,699,942
1921	69,480,648	4,582,328	74,062,976
1922	71,826,756	5,614,726	77,441,482

Toronto

The Bank of Toronto announce the opening of a new branch at the corner of Yonge street and Belsize drive, North Toronto, under the management of J. H. Brown.

Nova Scotia

The New York agency of the Bank of Nova Scotia has moved from 52 Wall Street, where it had been located for several years, to 49 Wall Street at the corner of William Street in the Atlantic Mutual Insurance Building.

HEAVY LUMBER CUT

Edmonton, Alberta.—Lumbering operations in the districts north and west of Edmonton have been conducted on a more extensive scale than ever before, the winter's cut aggregating over 50 million feet. It is estimated that at least 2,000 men were employed in lumbering last winter.

LIQUOR REVENUE MAY TAKE PLACE NEW INCOME TAX

Only Hope for Balancing the Budget in Manitoba

From Our Own Correspondent.

WINNIPEG.—There is a disposition among the business interests of Winnipeg to question if Manitoba's "Balance-the-Budget" income tax will actually be put into operation on January 1, 1924. The income levy which passed the legislature in its dying hours is expected to gather in $1,000,000 per annum for the provincial treasury when the tax is actually put into effect. "Nothing but the need to balance the budget, all other efforts having failed, can justify the imposition of so severe a tax," stresses the Manitoba Free Press in advancing the contention that the tax should be withheld if possible.

"It would be wise," says the Winnipeg newspaper, "for the Manitoba government not to consider the imposition of the income tax as something which has been definitely settled by the legislature and accepted by the public. The people will expect the matter to be again considered when the legislature meets next year. By that time the extent of the economies which the government finds itself capable of effecting will be known and the productivity of the other sources of revenue which the government has provided have been measured. If the economies should be as extensive as the public hopes and the revenue should prove reasonably elastic, it may be possible for the legislature to reconsider the matter of income taxation with a view to reducing or even abolishing it."

There is a well defined undercurrent of feeling that the result of the pending liquor referenda must exert a determining influence. It is felt here that the success of the Moderation League's government control of Liquor Bill, which will be voted upon next month, might be accepted as a reason for obviating the necessity of imposing an income tax in Manitoba, for the reason that the government would thus secure a new and probably important source of revenue.

No Other Method

Throughout his piloting of the income tax bill in the legislature, Provincial Treasurer Black argued that there was no other method by which the provincial books could be balanced. The legislature ultimately agreed to this taxation because it was apparent that the deficit of the proportion which existed required for the preservation of Manitoba's credit, the taking of necessary steps to cope with it. "The tax payer, just through making out his Dominion tax form wonders where this tax business is going to end," opines the Winnipeg Tribune, which points out that the Manitoba business man's expectation had been that the provincial government would pursue a policy of economy to the limit, before deliberately increasing the size of the huge governmental machine.

The incidence of this income taxation, in the view of the Free Press, foreshadows a sharp addition to be made next year to the burden of taxation now being carried by the average business and professional man of Winnipeg.

THE BUDGET— HOW BUSINESS VIEWS IT

(Continued from Page 1)

paying a tax because of the larger total of business.

The point is made that in many cases Canadian importers get American exporters to absorb a portion of the tax and that there should be a ruling that so far as the basis of the tax is concerned it should not be raised because of the inclusion therein of any portion of the said tax.

In the retail trade the point is being considered as to what will develop in regard to standard-priced goods. The price of such goods is fixed to the public and if the tax is passed along to the retailer he will have to absorb the whole of it. It becomes a question whether packages may be reduced in size, the price raised or the tax absorbed by the manufacturer.

Protection of Contracts

The question of protection of contracts has been brought up. In many cases retailers have placed fall orders which will not be delivered until after August 1st. Some believe they will not have to pay the sales tax because it will be absorbed and will not appear on the invoice. A $30 overcoat, for instance: they argue that under the old regulation there would be 4½ per cent. added whereas now they will get the coat for $30.

The labor factor is important, as already emphasized, in relation to the "source" at which the tax may be applied. This same factor is also important as between luxuries where materials may be costly and labor small, and necessities where labor is important and raw material cheap. The following illustration covers the point:

(a) labor 25%, material 75%. (b) labor 75%, material 25%.

(a) Diamond Ring.—Material for this which formerly cost $75 laid down, will now cost $75 less 2¼%, or $73.31. Add to this $25 labor. Total $98.31. 6% tax on $98.31 is $5.89. Total cost is $98.31 and $5.89 or $104.20 for $100 worth.

(b) Stove.—Material for this which formerly cost $75 laid down, will now be $24.43 ($25 less 2¼%). Add to this $75 labor. Total $99.43. At 6% tax is $5.96. Total cost is then $99.43 and $5.96 or $105.39 for $100 worth.

Actual difference in cost of $100 of either is $1.19.

Retailers Are Pleased

Retailers generally are pleased with the change in the sales tax. "It represents the plan approved by retailers from one end of the country to the other," according to E. M. Trowern, Dominion secretary of the Retail Merchants' Association. The point made by Mr. Trowern is that the tax will not now appear on invoices to the retailer. A ruling will be required, however, to indicate whether they should appear in the case of an invoice from the manufacturers selling direct to a retailer. Wholesalers are also well pleased with the new arrangement, according to A. C. Pyke, secretary of the Canadian Wholesale Grocers' Association.

In the case of confectionery and beverage manufacturers the abolition of the excise tax is welcomed as releasing them of a particular burden. However, these industries must still bear this tax until August 1st, which is regarded as a hardship in the case of the beverage manufacturers, particularly because the season of consumption will be largely passed by that time.

STEEL INGOT OUTPUT

Institute Report Indicates 3,947,000 Tons for April

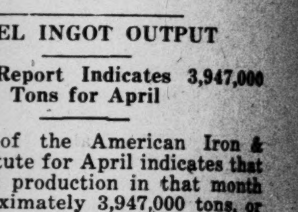
Report of the American Iron & Steel Institute for April indicates that steel ingot production in that month was approximately 3,947,000 tons, or at the annual rate of 48,000,000 tons a year. The report is based on statistics of 30 companies which last year produced 84.13% of the entire output of the United States and shows that these companies in April made 3,321,278 tons of steel.

Production of 3,947,000 tons is equivalent to about 86% of theoretical capacity of 56,000,000 tons and about 95% of practical capacity.

TO TREAT TAILINGS AT McKINLEY

McKinley-Darrah Mine Cobalt, at Cobalt, is to resume tailings treatment. The plan is to handle 150 tons daily. The recovery hoped for, it is stated, is about six ounces.

Hotels Under the Management of the UNITED HOTELS COMPANY OF AMERICA



Paid 10% to 30% on Common Stock

two or three years after the opening:

THE ONONDAGA, Syracuse.
1911 .. 10%
1912 .. 20%
1913 .. 20%
1914 .. 20%
1915 .. 20%
1916 .. 15%
1917 .. 10%
1919 .. 15%
1920 .. 30%
1921 .. 40%

THE ROYAL CONNAUGHT Hamilton.
1921 (p) .. 14%

THE BANCROFT Worcester
1919 .. 10%
1920 .. 5%
1921 .. 10%

THE PORTAGE Akron
1916 .. 66%
1917 .. 90%
1919 .. 50%
1920 .. 45%

THE KING EDWARD, Toronto.
1919 .. 10%
1920 .. 10%
1921 .. 10%

THE CLIFTON, Niagara Falls
1920 .. 10%
1921 .. 15%

THE HOTEL UTICA. Utica
1920 .. 10%
1921 .. 15%

THE ROBERT TREAT, Newark
1918 .. 20%
1919 .. 20%
1920 .. 20%

THE TEN EYCK, Albany
1912 .. 10%
1913 .. 15%
1914 .. 20%
1915 .. 30%
1916 .. 30%
1917 .. 30%
1918 .. 5%
1919 .. 20%
1920 .. 20%
1921 .. 25%

THE PENN HARRIS, Harrisburg.
1919 .. 10%
1920 .. 35%
1921 .. 40%

THE SENECA, Rochester,
1920 .. 5%
1921 .. 25%

WHAT WILL MOUNT ROYAL HOTEL COMMON PAY IN SAY 2 YEARS?

The United Hotels Company, under a 30-year contract, is responsible for the management of the Mount Royal Hotel.

The forecast of this, the largest and most successful hotel organization in the world, is that the Mount Royal will in time be the most profitable hotel in the system of 19 modern hotels under their management.

The common stock of the Mount Royal Hotel Company has steadily advanced from $27 to $43 per share. If the common stock is worth that three or four months after the opening of the Hotel, what will it be worth when the Hotel has been operating for a year or a year and a half?

Investors who wish to assure themselves of the attractive common stock bonus with its immense possibilities for future profits should make their reservations at once. This is your last chance to buy these Treasury Shares; there are positively no more left.

Full particulars will be gladly supplied on request.

Price: Par and accrued interest, yielding 8%, with a bonus of 20% in Common Stock

We will accept Victory Bonds and high grade Municipal Bonds in exchange at highest market prices in payment of subscriptions.

Partial Payment Plan if desired. Denominations $100, $500, $1,000

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Please send me a copy of the circular describing the 8% Convertible Debentures of The Mount Royal Hotel Company, Limited, and the possibilities for future profits offered by the 20% Bonus of Common Stock.

Name in full ....

Full Address ....

(Please write clearly)

NEWS AND VIEWS FOR MANAGERS

PHILOSOPHICAL COMMUNE WOULD REVISE BANK ACT

Interesting Experiment Is Suggested in Letter To Fielding

An open letter addressed to the Minister of Finance by a C. F. Bradley has been sent to us. This letter purports to be written on behalf of the Philosophical Commune in Canada. As this is the only document emanating from such a source which has reached our hands, we are unaware of the numbers or character of the members of the society in question, or of the nature of its propaganda or its filiations.

The open letter contains an attack upon the Bank Act, the sections which are represented as objectionable being section 92 which permits chartered banks to allow any rate of interest whatever upon money deposited, and section 136 which reserves to the chartered banks the privilege of issuing paper currency.

The reasons given for objecting to these sections are: in respect to section 92, that the banks may under it discount commercial notes and then pay interest upon the proceeds. It is argued that in this way the banks may convert current debts payable on demand into debts payable after notice and that this involves an indefinite suspension of payment by the banks and operates as a fraud upon the bank's customers; and in respect to section 136, that the granting of an exclusive privilege to the chartered banks to issue currency infringes upon the "natural rights" of Canadians to buy and sell on credit and to give and take promissory notes payable on demand.

Both of these objections to the clauses in question can only be described as childish. In regard to the working of section 92, this section simply permits the banks to allow any rate of interest agreed upon with its customers. This rate is, as a matter of fact, customarily determined by the banks acting in consultation through the Bankers' Association and is ultimately determined by the external rate for money. No such consequences as those described could possibly arise from the section in question. It is pure nonsense to say that when a bank discounts a commercial note it should be forbidden to pay interest upon a deposit of the amount in whole or in part by the person who discounted the note or by a person to whom the proceeds of the note may have been paid, or upon the amount of the deposit whether or not it is subject to withdrawal on demand or after notice. In practice notice is customarily waived by banks, excepting in cases where deposits are very large. The objection is made obviously without knowledge of banking practice.

In regard to section 136, the restriction of the issue of currency to banks specially chartered by the State is a logical consequence of the claim by the State to regulate the issue of currency. This claim is made by every civilized State; the natural outcome is that great inconvenience has resulted wherever an anarchic condition of currency has existed.

This open letter also states that the accumulation of credits and debits in the hands of the banks is either a useless and expensive encumbrance or a heavy and questionable burden to the majority who are debtors.

Accumulation of pecuniary resources by a community is not the sole sign of the prosperity of a community; but is one of the signs. The community may accumulate these resources in one or other of two ways. It may hoard them as is done in countries where the government is unstable or where life and property are insecure or where there is a longstanding tradition of insecurity. Examples of hoarding are to be found in all Eastern countries. Or alternatively, the community may establish banks or permit the establishment of them to which these accumulations may be confided. Experience has shown very definitely that banking is by far more economical than hoarding. It is thus not true that accumulations are an expensive encumbrance.

Against these accumulations are debits—that is to say, the banks receive deposits from those who at least temporarily have no need for their accumulations and lend these to those who have temporarily need of them. There is not only nothing intolerable about this process, but it is eminently reasonable and convenient. The borrower is not necessarily a victim, he may be a beneficiary. The creditor is not necessarily a beneficiary, he may be a victim.

It is a mere assumption on the part of the writer of the letter to regard the creditors, i. e., the depositors, as less numerous than the borrowers or debtors. The facts are probably in this country quite otherwise. In some countries it may be true that the moneyless are in the majority; but in Canada this is not true.

Nor is it true that the monetary conditions of the majority of the people in this country are intolerable. During the past seven years, there has been going on a redistribution of pecuniary resources. Wages have increased enormously; persons living upon fixed incomes have been impoverished through the advance in prices and a very large aggregate of wealth has passed from these classes to the working class. A large part of this wealth recently acquired by the working population has been placed to its credit in the banks. Their deposits have taken the place of the deposits formerly made by the persons from whom this wealth has been transferred.

Insofar as the writer of this letter attacks the accumulation of funds in the banks, and this appears to be the meaning of his communication, he is attacking the savings of the working people. In this country, the careful workman and the frugal farmer are the real capitalists. The so-called capitalists, viz., the organizers of industry, are borrowers. They are always in the market for money to finance their enterprises. Thus legislation intended to benefit borrowers at the expense of lenders would invariably react against the small depositors who supply in the aggregate the large sums necessary for carrying on industry and for providing for the continuity of enterprises of all kinds. Any banker will confirm the statement that not the large deposits of the wealthy but the small deposits of people of moderate means, and especially the deposits of wage earners, constitute the working capital of the country.

There is nothing philosophical or penetrative or even intelligent in the open letter of Mr. Bradley.

DETECTIVE WORK DECIDES BANKER TO REFUSE LOAN

How Eastern Manager Did Some Sleuthing to Good Effect

In the opinion of a Maritime banker a bank manager must be something of a detective. To this manager had come recently an application for credit from a men's wear concern in a leading New Brunswick city. The rosy prospects of the store were dilated on at length by the manager of the store, who declared business was getting on solid ground after an uphill fight. The store location was a good one. The store had not been paying, however, and despite the rosy reports of the store manager, the bank manager decided to do some detective work and ascertain if possible the exact status of the business which is a large one.

He was not long in finding that the proprietor of the store was one of the most notorious bootleggers in the Maritime provinces. And he found that despite an attempt to conceal the ownership of the store, many persons were aware of the identity of the owner. The consequence was that business was suffering materially despite a fine location, large and modern store, and a large and varied stock. Another drawback was the overhead. Too much rent was being paid for instance.

The store owner had been in the habit of making frequent visits in his car to his store and lingering there for hours. This attracted undesirable attention, and the store manager arranged that the owner would not visit the store more than once a day and enter via the rear. Despite the change the bank manager, after some sleuthing and the acquiring of much valued information, found the reports concerning the ownership were true, and he also found that the owner was tired of losing money weekly on the store and sought to unload. However, he had been encouraged by the bank manager with the statement that the store manager, because of inside acquaintance with banking men in the city, would be in a position to get credit from at least one of the banks.

The store manager found later he could not obtain the desired credit from the bank he had selected. He is now endeavoring to work his way into the good graces of another bank manager. And in the meanwhile, the owner is visiting other merchants and offering to sell at a figure about one-half what the store manager has been stating (to the bank managers) the business is valued at.

BANK COMMISSION SUGGESTION MADE

Western Paper Would Have Body Similar to the Railway Commission

The creation of a board of bank commissioners similar to the board of railway commissioners is suggested by the Regina Morning Leader to act in cases of alleged unfair treatment of the public. The Leader believes that the country should have a minimum of government in business but a sufficient amount of government control to see that public service corporations serve the public honestly, efficiently and impartially.

In connection with the suggestion it is pointed out that the general manager of the Weyburn Security Bank told the House of Commons committee on banking and commerce that western farmers have had too much bank accommodation in the past, while a similar statement was made to the committee by George Spence, M. L. A. for Notukeu. Thus the general manager of a chartered bank and a dirt farmer operating in the same province agree on this point. As a matter of fact it is generally recognized that had it not been for the ease with which farmers coming into the prairie provinces without adequate capital to set themselves up in business secured loans from the banks and mortgage and loan companies the load of debt which they are now carrying would have been lighter than it is.

However, admitting that the farmers in the West as a class have undoubtedly received as much credit from the banks as was good for them, the Leader makes the point that this does not preclude the possibility that in individual cases farmers have not received a square deal from the banks. A number of cases have been reported in which farmers have been encouraged by their branch bank managers to clear off their outstanding debts to the banks by promise of new credit as soon as this was done; and then have been denied the credit promised them. The Leader believes that such tactics are undoubtedly the exception but that some farmers seem to have suffered hardship without justification. The appointment of a commission to act in such cases, it is pointed out, would not permit of these alleged grievances.

THE CUSTOMER HAS NO RIGHT TO EXPECT OVERDRAFT

Like Drawing for a Sum Larger Than the Invoice.

By A. B. BARKER,
Manager, Toronto Clearing House.

The objection of banks to overdrafts is something many cannot or will not understand, and when a cheque is refused by the bank on which it is drawn for the reason that there is not sufficient funds at the maker's credit, it is surprising how many bank depositors consider that they have a legitimate cause of complaint. In their own lines of business, if someone from whom they had purchased goods drew on them for an amount in excess of the sum owing these same depositors would at once refuse to accept, even if the drawer had attached a polite note to the effect that any error would be rectified later; and yet the two transactions are essentially alike. When the goods are purchased the buyer agrees to pay a certain sum on certain condition, and he stands pat. The relations between them are those of creditor and debtor. When a customer deposits funds with a bank the same relation exists, the bank is the debtor and has agreed to pay over the sum, in such amounts and at such times as the depositor, the creditor, demands. The depositor is entitled to issue cheques up to the amount of the sum remaining at his credit, but this does not entitle him to expect the bank to honor his cheques in excess of this amount, any more than his creditor is entitled to expect him to accept a draft for an amount in excess of the sum he owes for goods purchased.

The average depositor, however, does not look at it this way, and refusal to honor a cheque for which provision has not been made is one of the great causes of friction between the bank and its customers. Some customers, of course, arrange to make use of their lines of credit by way of overdraft, but this is different. In this case provision is made in advance, and the conditions settled, and in discussing overdrafts this method is not included in the criticism.

Sound Objections

What are termed casual overdrafts, however, are usually the result of a bluff on the part of the depositor, who issues a cheque with the idea that the bank will honor it rather than hurt the customer's credit by refusing it. Strictly speaking, therefore, he has no right to object if his bluff is called. A favor is expected and courtesy requires that the one to be benefited ask for it instead of trying to slip it over.

The objections to the practice as stated by the banks are:

(a) That it does not fix the liability of the borrower definitely;

(b) That the date of repayment is left uncertain;

(c) That as the maintenance of an active account on the current account ledger involves actual out-of-pocket cost for stationery and clerical work, the free balance in such accounts should be sufficient to afford the bank proper remuneration for the service: an account which is frequently overdrawn also takes up a lot of extra time in referring to the manager cheques which create an overdraft;

(d) Also a customer has no right to issue an order upon a bank to pay money which he has not at his credit.

Making It Clear

The Pacific Banker in a recent issue prints the following form letter, found in the old records of a private banker, as an example of a notification unique in expression, convincing in argument, and which probably produced results:

"My dear Sir: I have gone to considerable expense in getting into proper shape to do a banking business. I suppose I could take what money I have and loan it out privately, and make as much money as I can by having a regular bank; however, I concluded to build a vault, employ clerks, invest in stationery, etc., my principal object being to build up a deposit account. Now, my friend and esteemed customer, whenever I look at your account I am sorry to say instead of your depositing funds with me, I am continually having my funds deposited with you, and as you have no vault, no clerk hire, etc., and would not pay my cheque if drawn on you at sight, I would be under many obligations if you would bring my money back and deposit it to your credit, so that at least, if you have no funds deposited with me, I may have the satisfaction of knowing I have none with you."

Commerce

James E. Sharp, accountant at the Revelstoke branch of the Canadian Bank of Commerce, has been transferred to Vancouver.

H. F. Dore, ledger-keeper at the Revelstoke branch has been transferred to Nakusp, B.C.

Double Liability in Banks Dates to 1833

During the Bank Act hearing at Ottawa recently there was quite a discussion on the value of the double liability clause as a measure of protection to banks. The Gore Bank, absorbed by the Bank of Commerce in 1870, was the first to have this clause written into its charter. That was in October, 1833, when the British authorities took a hand in regulating the banking affairs of the colonies. Victor Ross, in the history of the Bank of Commerce, points out that the Colonial office had just endeavored, without much success, to put the currency of the provinces on a sterling basis. The double liability for shareholders was one of the rules written in.

In the double liability clause, the purchase price does not enter. A shareholder may have purchased a share at \$85 and another at \$200. His first liability would be the purchase price of his stock and if the double liability clause was invoked his liability would be \$100 a share.

Hamilton Clearing House

At the annual meeting of the Hamilton Clearing House, recently the following officers were elected for the ensuing year:

R. H. Harvey, manager of the Royal Bank of Canada, chairman; E. V. Illsey, manager of the Standard Bank of Canada, vice-chairman; A. M. Bathune, manager of the Dominion Bank; J. R. Wainwright, manager of the Molsons Bank; R. G. Wallace, manager of the Bank of Nova Scotia; A. C. Rowe, manager and secretary-treasurer.

Matachewan Canadian Gold Limited

No Personal Liability

INCORPORATED UNDER THE ONTARIO COMPANIES ACT

HEAD OFFICE - - - - - TORONTO, CANADA

Capital Authorized - $5,000,000 Capital Issued - - $3,330,007

HON. G. D. Robertson, P.C., LL.D. .... President
Former Minister of Labor, Federal Government, Ottawa, Ont.
Vice-President, Order of Railroad Telegraphers.

HON. J. A. McDONALD, Shediac, N.B. .... Vice-President
Pres., Amherst Pianos, Ltd. Vice-Pres., Atlantic Underwear, Ltd.

JOS. S. QUALEY .... Managing Director
Mining, New York, U.S.A.

W. J. BOLAND .... Treasurer
Macdonell & Boland, Toronto, Ont.

R. E. EVANS .... Secretary
Toronto, Ont.

DIRECTORS:

HON. G. D. ROBERTSON, P.C., LL.D.
Former Minister of Labor, Ottawa, Ont.
Vice-Pres. Order of Railroad Telegraphers.

JOS. S. QUALEY, ESQ.
Mining, New York, U.S.A.

HON. RODOLPHE MONTY, P.C., K.C.
Ex-Secretary of State for Canada.
Monty, Duranleau, Ross & Angers, Montreal, P.Q.

HENRY S. THOMPSON, ESQ.
Vice-Pres., Globe & Rutgers Fire Insurance Company, New York, U.S.A.

M. S. CLARKE, ESQ.
Clarke, Hook & Company, Halifax, N.S.
Vice-Pres., The Nova Scotia Trust Company.

HON. J. A. McDONALD
President, Amherst Pianos Limited,
Vice-President, Atlantic Underwear Ltd.

BERNE H. HOPKINS, ESQ.
Oil & Mining, Colorado Springs, Colorado.

HUGH H. SUTHERLAND, ESQ.
Pres., F. C. Sutherland & Company, Ltd.
Gen. Man., Great Northern Power Co., Ltd.

WALTER J. BOLAND, ESQ.
Macdonell & Boland, Barristers & Solicitors, Toronto, Ont.

CHAS. F. NAVIN, ESQ.
Detroit, Mich.

Bankers - - - - - - - - - - - - Bank of Nova Scotia
Solicitors - - - - - - - Macdonell & Boland, Toronto, Ontario.
Transfer Agent & Registrar - The Trusts & Guarantee Company Limited, Toronto, Ont.

Property.

The Company owns in the Matachewan Gold Area approximately 840 acres in a compact block. This property is the result of the consolidation of the holdings of the Matachewan Canadian Gold Limited, The Matachewan Rand Gold Mines Limited and the Clemens-Robb claims, located in the centre of what is termed the Matachewan Gold Camp. The merger of these properties places the Company as one of the largest owners of mining properties in Northern Ontario.

A number of the claims making up the total acreage owned by the Company were staked by a group of well-known prospectors, which included the late Benny Hollinger, the staker of the original famous Hollinger Mine in Porcupine, now considered one of the greatest gold mines in the world, and which produces approximately One Million Dollars in gold every thirty days. The estate of the late Mr. Hollinger ranks as one of the largest shareholders of the Matachewan Canadian Gold Limited.

The results secured from development work, hereinafter outlined, supply the foundation for practically every report that has been issued on the district from time to time, both by Dominion and Ontario Government geologists and independent engineers.

History and Location of Matachewan Camp.

The Matachewan Gold Area was discovered in 1916 by the late Sam Otisse, one of the oldest and best-known prospectors in Canada, the original discovery claims now forming a part of this Company's property. It is situated in the District of Temiskaming, Northern Ontario, and embraces the Townships of Powell, Yarrow, Cairo, Kimberley, Baden, Alma, Bannockburn, Holmes and Flavelle. It is reached by the T.N.O. Railway to Elk Lake and thence by boat up the Montreal River or by road into the Camp. The Matachewan Camp proper, that is to say, the area where the greatest amount of development work has been accomplished (largely by this Company) is located in the Townships of Powell and Cairo. It is approximately 28 miles southwest of Kirkland Lake and 38 miles south of Porcupine, two of the largest producing gold camps of the Western Hemisphere, and among the greatest in the world.

Development.

During the years 1918, 1919 and 1920, working under most difficult conditions—due to the fact that the property was situated 25 miles from the railroad, and consequently inaccessible; also to the absence of electrical power, the merged companies expended in excess of $500,000 in acquiring claims and conducting an extensive campaign of diamond drilling, surface trenching and underground work. In order to carry out this programme, the Company installed a fairly complete mining plant and equipment, together with the required buildings and bunk houses. This involved the taking in of the necessary machinery, materials and supplies over a country where no roads were available at that time. The results secured, however, conclusively warranted this expenditure.

This preliminary development included the putting down, over a wide area, of 62 holes having an average depth of approximately 250 feet, totalling in all 14,294 feet. In addition, 3,700 feet of trenching, 203 feet of sinking and 1,000 feet of drifting has been done, having as its object the corelating of the ore bodies. While the chief purpose of this work was to acquire information on the geological conditions existing, it resulted in demonstrating an estimated ore tonnage of 36,857 tons having an average value of $9.77 to the ton

Extracts From Government Reports.

In a publication issued by the Department of Mines at Ottawa, under the name of "Geology of Matachewan District, Northern Ontario," Mr. H. C. Cook, Government Geologist, who made a thorough study of the Matachewan Area, stated in effect:

"The porphyry mass on these claims (Matachewan Canadian Gold Limited) is the largest yet discovered in the District, being somewhat over one-half mile in length and 500-600 feet in width.

"Channel samples, taken along the bottom of trenches in the enriched areas by the engineers examining the property, are said to have given values carrying from $5.00 to $25.00 per ton.

"The dykes contain sufficient auriferous pyrite to yield values carrying from $3.00 to $50.00 per ton with an average of about $10.00."

In the 29th Annual Report of the Ontario Department of Mines, published in 1920, is given the results of an exhaustive examination of the Matachewan Area as carried out by Mr. A. G. Burrows, Geologist for the Department. It is considered that no more favorable report has ever been issued in Canada on any gold area in the same stage of preliminary development. On Page 61, Paragraph 2, in his report on this Company's property, Mr. Burrows states as follows:

"In places the altered and mineralized light grey schist is 10 to 25 feet in width. One mass of ore to the northeast of No. 1 shaft is 50 feet long, with an average width of 20 feet. Two cross sections of this ore showed assay values of $12.75 over 27.35 feet and $18.31 over 22.75 feet. Another lens of light grey ore can be traced westward from No. 2 shaft for 100 feet into low ground. This ore averages about ten feet in width. In trench 200, one section 14.5 feet in width, of light greenish calcareous schist containing a band of grey porphyry showed an assay value of $20.25."

Conclusion

An estimated ore tonnage of 36,857 tons has been indicated by the above work. Basing these estimates on the complete reports of the engineers, aggressive operations over a period of six to eight months should open up 150,000 to 200,000 tons of $11.00 ore, approximating in value $2,000,000, and permit the erection of a mill, thus placing the Company on a producing basis within a very short period.

We would draw your attention especially to the Board of Directorate of this Company, which constitutes one of the strongest group ever brought together in any single mining enterprise.

In due course application will be made to list this stock in Toronto and New York.

We are now offering for public subscription, for a limited period, the unsold portion of 600,000 shares of the Matachewan Canadian Gold Limited at $1.00 (par value) a share.

Our confidence in this mine is so great, that if, within 30 days after you buy this stock--if bought direct through our office--and after a personal examination of the records and data on file in our office, you are not perfectly satisfied with your investment, we will refund your money in full.

FILL IN THE ATTACHED FORM AND MAIL IT TO-DAY

F. C. Sutherland & Company
LIMITED

4-5 KING EDWARD HOTEL BLDG. Investment Brokers **TORONTO, ONT.**

F. C. SUTHERLAND & COMPANY,
LIMITED
4-5 King Edward Hotel Bldg., Toronto, Ont. Date.......................1923.

I herewith enclose (cheque or money order), being payment in full for.......................shares Matachewan Canadian Gold Limited, at $1.00 per share.

NAME ....

28 ADDRESS..

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Member of the Audit Bureau of Circulations.

President - - - JOHN BAYNE MACLEAN
Vice-President - - - HORACE T. HUNTER
Manager - - - GORDON RUTLEDGE
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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 18, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

BRITAIN AGAIN WORLD LEADER

JULIUS H. BARNES, the Chairman of the United States Chamber of Commerce, Washington, who for many years has been deeply interested in export trade to Europe, has just come home. He was at the international meeting of world's business men in Italy and afterwards he spent some time making further investigations of present conditions and particularly of the outlook. The one strong conclusion he brings back and emphasizes in his interviews with the press, is the wonderful recovery Great Britain has made, and the great future for British trade.

Our own Sir Edward Kemp, who has built up one of the largest industries in Canada, is also just back. He, too, expresses his strong belief in the future of British trade. Incidentally, he points out that the people in the Mother Country have been getting the unfortunate impression that Canadians are losing faith in the Empire and looking more to the States.

These two experienced leaders and careful observers confirm and bring up to date the views gathered and presented to its readers by THE POST from time to time for several years past; but which were then opposed by other Canadian observers.

They told us of the decadence of Britain. The newspapers reported one of them as saying: "I do not know what is going to become of Great Britain. I don't want to be pessimistic— . . . . I really don't know what is going to happen. I have misgivings as to her future."

At the time THE POST exposed this by showing that in using these words, speakers were merely repeating what was being sent all over the world by German wireless, and specifically exposed by the London Times. It has since developed that certain anti-British oil interests found these stories very useful in serving their ends.

The effect of such inspiration, even on serious minded Canadians, would be to turn our interests away from the Mother Country and cause us to seek developments in other directions which would suit our competitors and injure our Empire.

THE SAME OLD STORY

THE so-called eminent Canadian financiers whose interests in Turkish concessions were exposed two weeks ago, now admit that THE POST was correct. They admit that the financial interests are neither eminent nor large and that Canada has no very great direct interest in aiding the oil concession. But they repeat the ancient fable of the ass and the carrot and the modern history of Russian orders for Canadian manufacturers, and go one better by appealing to the cupidity of the United Farmers as well. Readers will remember how Soviet agents tried to work us during and since the war with $400,000,000, cash orders for Canadian manufacturers, to rebuild Russia. They wanted the Canadian navy to escort the gold over just when our good friend Colonel Mackie was making appeals here to save the penniless and starving Russians. They brought business and financial pressure on the government, but when Sir Henry Drayton told them they could bring their gold but not their agitators in the form of inspectors, they faded away.

They tell the press that Canadian trade has an interest in the concession, because the corporation formed to operate the concession, if it goes through successfully, has a mandate under the concession to purchase some three million Turkish pounds worth of agricultural machinery, and there is sufficient Canadian capital in the concern to be able to pull a share of that business to Canadian firms.

"The corporation holding the concession would also have a great deal of preference in the matter of importing whatever produce was required in the district, and with the Canadian financial interest in it there would be a good chance of Canada getting a share of the business. This would apply very particularly to wheat, so long as Russia is out of the market."

They do not explain how the Turks will have any need for Canadian wheat when they have $15,000,000 of Governor Cockshutt's ploughs and Vincent Massey's reapers.

Finally, in the story they give the press, they tell of the far-reaching international complications involved and conclude that "many people feel that the situation is pregnant with possibilities of an unpleasant nature," and until the whole matter is "finally settled it will always be a potential source of trouble," and "whether Canada is likely ultimately to be asked for a shipment of machinery or a contingent of troops no one can be found willing to prognosticate."

This talk and extracts from letters, thoughtlessly given, by public men, are sent out and used as representing Canadian national opinion. And the extraordinary thing is that even Canadians are taken in by it.

PAYING GERMANY'S WAR EXPENSES

IN A Toronto street car the other day one passenger was passing the time until he reached his corner in showing a 1,000 mark note which he had purchased for 25 cents and explaining his wonderful speculation—he would get back $200 if the mark returned to par, he said.

What would this citizen have thought had he been told that he had actually donated 22 cents of his 25 cents to a German fund to help pay Germany's war costs, including reparations. That is exactly what he had done. Marks were quoted at 33,000 to the $1.00. For his 25 cents he was entitled to 8,000 marks and not 1,000 marks. As a matter of fact, the value of the marks can be dismissed altogether, because to all practical purposes this citizen had chipped in the whole of his 25 cents for the war fund when Germany passed the hat.

THE FINANCIAL POST has issued repeated warnings against gambling in marks. It is now being pointed out by such publications as The Saturday Evening Post, that it has been solely by the sale of marks in the United States, Canada and other countries that Germany has been able to make payments on reparations. This phase of the situation was emphasized in these columns as long ago as last July after repeated warnings against mark gambling.

If there was a more general realization that buying German marks was making a direct donation to the German war chest, there would be less of this so-called speculation indulged in.

WAS THERE CONFISCATION?

THE charge that the property of the Halifax Graving Dock Company, Ltd., was expropriated by the Crown, presumably as a public work and then transferred to a private company who used it as the basis of organizing the Halifax Shipyards, made by S. M. Brookfield, chairman of the Graving Dock Company, has not been disposed of. In a letter to the members of the Senate and the House of Commons, dated April 18th, Mr. Brookfield says:

> Last year I addressed a letter to the Members of Parliament asking for justice for a body of British shareholders who had put their money into the Halifax Graving Dock, which had been expropriated by the Government of Canada, not for a public purpose, but to turn over to promoters for their gain. That letter was published in THE FINANCIAL POST, and the Department of Public Works undertook to explain this improper course of action—that the property of one subject can be taken by the Crown for the benefit of private citizens. The letter is reprinted with the attempted justification of the Department and my answer thereto. These are submitted to the Members of the Senate and Commons to show that the circumstances surrounding this expropriation ought to be investigated by Parliament and redress made to shareholders whose property was unconstitutionally taken, and sold to these "shipping men," who have recently been given fifteen years to pay the purchase price.

The accusation that private business interests have used the government for what practically amounts to confiscation of property should have the attention of Ottawa. The charge involves both the government and big business and in the public interest it should be either proved or disproved.

CASHING IN ON A COLLEGE EDUCATION

IS A college education a handicap? There are many who take the attitude that the man who spends what might be regarded as the "college years" in getting practical experience in trade, finance or industry has the greater chance for ultimate success in the firing line of business, while to read the reminiscences of millionaires would almost lead to the conclusion that in order to amass great wealth it is at least necessary to plunge into one of the great cities barefooted at an age when the average youth is thinking of his "entrance" examination. As a matter of fact, statistics prepared in the United States, indicate that there are 277 times as many college graduates who have great wealth, as there are wealthy persons who have not had college training.

An investigation published by the United States Bureau of Education shows that of all the people in the United States who have performed distinguished service and received high honors, there was:

> One person out of each 150,000 who had no schooling.
> One person out of each 37,500 with a common school education.
> One person out of each 1,724 with a high school education.
> One person out of each 87 with a college education.

The above totals show the comparative chances of no schooling and with the different grades of education. Parents who give their children a common school education give them four times the chance to become a leader and receive distinction that the child of no schooling has. Those who give their children a high school education give them 87 times the chance and the parents who sacrifice and give their children a college education, give them more than 800 times the chance of the child without schooling.

Persons without any schooling do become leaders and perform notable service, but the number is few. When this investigation was made there were 5,000,000 persons in the United States who had no schooling and only 31 had earned distinction, while there were 1,000,000 with a college education and 5,768 of these had attained distinction.

EDITORIAL NOTES

AND IT IS quite possible for the man who has more money than brains to be broke at that.

* * * *

THERE IS a new spirit of optimism springing up in the West—the "winter of discontent" has passed.

* * * *

THERE IS a much better feeling in the West now that there is work to be done and less time to listen to the politicians.

* * * *

LONDON despatch says that the cost of the new Canadian offices there will be approximately $4,700,000. High Commissioner Larkin is the type of man who is likely to make the investment pay.

* * * *

AGITATIONS for reductions in freight rates, whether from the West or from the East, will fail to receive a popular reception in a national way so long as the government budgets continue to add millions to the public debt to provide for railway and merchant marine deficits.

* * * *

AN ELECTION could hardly be more muddled by politics than the present campaign in Ontario. Through it all it is difficult to keep attention centred on the main purpose—the appointment of a president and board of directors for the biggest business in the province, the government.

* * * *

THE DIFFICULTY in making the sugar boycott effective is to get individuals to adopt the policy which they prescribe for the general good. A mass meeting may be enthusiastic for a boycott but if the people who attend rush to put in their own personal supplies before the boycott goes into effect the situation will be aggravated rather than relieved.

* * * *

VOTING IN the House of Representatives against the combined rural credits bills, Representative Burton, of Ohio, declared that the measure would give the farmers "too much credit" and that "will be the ruin of them." According to the New York Times, no one in the House speaks with a greater weight of authority on financial subjects than Mr. Burton. In Western Canada to-day there are perhaps more farmers in difficulty because they have borrowed too much money, than because they have not been able to borrow enough; it is not capital that is lacking, but the security upon which money can be borrowed.

Canadian Bankers

By ARTHUR HUNT CHUTE.

Whatever weakness may be inherent in the Canadian banking system, its saving virtue is its good name. Today from Sir Frederick Williams-Taylor, down to the latest junior clerk, Canadian bankers are keyed to a higher level because of high repute.

This is a fortunate, and unusual possession for a young nation. Canada has had her financial crashes, but with increasing jealousy for their reputation, the attitude has been growing among her bankers that the failure of one is the failure of all. In 1906 when the Ontario Bank went under, the Bank of Montreal came forward to partial rescue. The collapse of the Sovereign Bank, in 1908, saw the leading institutions taking its affairs in hand, to allay fear. The recent Merchants Bank embarrassment was wholly absorbed by the Bank of Montreal.

Why this effort on the part of one to save another? Because the banking fraternity have come to realize that a good name is more to be desired than great riches.

The fact that the Dominion has been free from panics is in itself highest testimony to a solid foundation. The occasions for panics have not been wanting. The hundreds of millions required for the building of the Canadian Pacific Railway, and a generation later the billions required for the sustaining of Canada's war effort constituted in themselves severest testing.

The organization of the Canadian banks is military in its completeness. A rigid, and unbending discipline actuates the service from top to bottom.

The officials enter upon their apprenticeship in early youth. It is recognized as a life time profession. The upward progress of a junior is a matter of years, with the result that those who come to authority are not irresponsible individuals, but faithful servants, steeped in the policies and traditions of their bank.

Bank of Montreal History

In 1817 the Scots merchants, founders of the Bank of Montreal, said, "We shall follow the example of our native land, and shall seek in the colony to extend and to perpetuate for the farmer, and for the merchant, the benefits and stimulus of a system the worth of which Scottish prosperity could abundantly prove."

The old homespun virtues of character and service have done infinitely more for the Canadian system, than flashy contributions of the "speed boy banker."

This fact was set forth by the example of George Stephen (Lord Mounstephen) of the Bank of Montreal. In 1901 when presented with the freedom of the City of Aberdeen, he said:

"Any success I may have had in life is due in great measure to the somewhat Spartan training I received during my Aberdeen apprenticeship, in which I entered as a boy of fifteen.

"To that training, coupled with the fact that I seemed to have been born utterly without the faculty of doing more than one thing at one time, it is due that I am before you to-day.

"It was impressed upon me by the best of mothers that ever lived, that I must aim at being a thorough master of the work by which I had to get my living.

"I had neither the training nor the talents to accomplish anything without hard work, and fortunately I knew it."

This was the same George Stephen who carried through successfully that epic of finance, the building of Canada's first transcontinental. The spectacular side of his career is held up to view, while his plodding patient thrift is apt to be sluffed off and forgotten.

George Stephen was a representative of the best type of New World Scot. The sum total of his, and many another excellent character, is now reflected in the character of the Canadian banks.

The Forgans

The Forgans, David and James, of Chicago, are two leading American financiers, of Scots tradition, who rose from humble positions as bank clerks of Nova Scotia.

While Canada has been exporting brains to the United States for many professions, she has fortunately kept most of her bankers at home, and afforded them opportunity commensurate with their talent.

What one man's life may accomplish in this direction is set forth, in the career of Mr. E. L. Pease, late managing director of the Royal Bank. When Mr. Pease took over in Halifax, thirty years ago, then the deposits of his institution were around a million. Now at the time of his retirement the deposits of the Royal are close up to half a billion.

The other day I listened to an American economist attacking our branch system, and policy of foreign expansion. Because one has not made a success of the foreign field, it is poor logic to argue the same for another.

For a United States bank the difficulty has been to get an acceptable foreign staff. Turning to Canada the condition is exactly the reverse. Thanks to our Scots tradition we have both the men and the machinery adequate to the roving mission.

But while Canada owes a debt to Scotland, she has nevertheless evolved a distinctive banking system, ideally suited to a pioneering people, stretched out across the vast expanses of a continent.

Ubiquitousness is the mark of the Canadian system. Our banker has had a sort of vagabondism in his blood, which has kept him always in the van.

It was not strange that Bob Service should be on the Klondike trail of '98: What more likely place for a Canadian bank clerk than with the Argonauts?

In Canada's westward march, the new bank followed the new frontier, ever drawing on the surplus funds of the east to further the waxing prospects of the west.

Near "Louise Town," in Dawson, in the roaring days, one might enter a squalid hut, and negotiate a loan in six figures. This was an amazing feature to the American. In the U. S. A. a marble bank, with assets of a million, could loan to one party only a hundred thousand, while in Canada a dilapidated shack in the back of beyond might negotiate loans running up into the millions, because all the assets of a mighty system were behind that smallest and remotest branch.

As a Wall Street friend expressed it to me, "You Canadians have certainly learned how to make your credit travel farthest and work hardest. There is no chance with you for a lazy dollar."

A bank receiving deposits at Halifax, or Toronto, may loan the same the following day in the Peace River country, or in the Okanagan Valley, thus a line of credit is extended far wider than would be considered safe under any other system.

Not content with being a rover at home, the Canadian banker is also a rover abroad.

Canadian branch banks are now established in 17 foreign countries, and 14 British colonies. In the Island of Cuba, alone, there are 54 branches of one Canadian bank.

I remember getting off a vessel once at Port of Spain, and coming up the quaint street of that tropical town, feeling like a stranger, until I came to a branch of the Royal Bank of Canada, with a Mr. Creighton as manager. I was especially impressed, since we had a Royal Bank branch, managed by another Mr. Creighton, in my little town far off in Nova Scotia.

Surely "Ubique," on the crest of the Royal Artillery, might also in all justice be emblazoned on the crest of the Canadian bankers.

A Laugh is Always in Order

Pharaoh's Chariot

Why all this fuss over the dinky old bus of Tutankhamen? Henry Ford turns out 1,000,000 chariots a year, any one of which has Tut's skinned a mile. Tut! Tut!—Richard Spillane, in Forbes Magazine (N.Y.).

Not a Question of Geography

"Where is the capital of the United States?" asks a writer in the Wall Street Journal.

It sounds like a question in geography, but it isn't.

For the answer is:

"Largely in tax-exempt bonds!"

Cruelty in Art

"Colonel, would it be against the law to paint a picture of a mint julep on a billboard?" asked a Jackson (Mass.) business man of a well known local lawyer.

"I don't know whether or not it would be against the law, sir, but it would be an act of senseless cruelty to about 90 per cent. of our male population."—The Lawyer and Banker.

Evidence

The editor was frightfully busy. When an old friend sent up his card he sighed and decided not to see him.

"Look here," he said to the office boy, "you must tell this gentleman I'm out. I can't see him and I wouldn't offend him for the world. So be sure to convince him that I really am out, you see?"

"Yes, sir," said the boy. "Don't you think I'd be more likely to convince him you are out if I went to him smoking one of your best cigars?"—Los Angeles Times.

"When an Irresistible Force—"

The State of Kansas has long been notorious for its joke laws. While a good many of the bills introduced in the last session of the legislature failed to pass, it is said that much of the proposed legislation was fully up (or down) to standard.

One of the suggested laws should have had the endorsement of some of our national legislators who seem so anxious to stop railroad transportation altogether. It read:

"When two trains approach a crossing at the same time, neither one shall proceed until the other has gone by."—Wall Street Journal.

A Story That Helped

A banker with wide experience in pulling firms out of the difficulties into which the late deflation had brought them says that his best aid was a certain story. Whenever he said a thing must be done and the owners of the crippled business said they couldn't do it—which happened often—the banker would tell the following story:

A man was telling his son a bedtime story about an alligator. It was creeping up behind a turtle, with its mouth wide open. Finally it was within reach, but just as its great jaws were snapping shut, the turtle made a spring, ran up a tree and escaped.

"Why Father," said the boy, "how could a turtle climb a tree?"

"By gosh," replied the father, "he had to."—Wall Street Journal.

A Novel Idea

A western man, in starting a hat store a few years back, tried a rather startling method for bringing himself to the attention of possible customers. He printed the name and address of his store on the corner of business envelopes of high quality, and he also printed the line: "Best Values in Men's Hats." Then he got a list of all the members of the various clubs in town. He sent each one of these an envelope by special delivery mail. The envelopes were all entirely empty.

The next morning the hat man did nothing but answer telephone calls from one man after another who wondered what the letter was that he had neglected to place in the envelope sent with a ten-cent special delivery stamp on it.

"How did you know I sent it?" the hat man invariably asked.

"Because your name was on the envelope."

"Did the envelope say I gave the best values in men's hats?"

"Yes, that was on it."

"Oh, well, then, never mind the letter. In fact, there wasn't any letter. I just wanted you to know I can sell you quality hats cheaper than you can get anywhere else."—Fred Kelly in the Nation's Business.

PERSONALS

A. H. KENDALL, master mechanic of Quebec district, Canadian Pacific Railway, has resigned from this company's service, having been appointed manager of the Chicoutimi Pulp Company, the Saguenay Light & Power Company and the Roberval & Saguenay Railway Company. He was banqueted at the Place Viger Hotel and presented with a handsome case of pipes by the officers of the Quebec district locomotive and power departments.

W. E. O. JONES, who has been appointed western superintendent for Western Grocers, Ltd., with headquarters in Vancouver, B.C., has been connected with the firm for some years. He was manager of Leeson, Dickie, Gross & Co., Vancouver, when that institution was purchased. He is a native of Nova Scotia and was for years with the firm of Baird and Peters, St. John, N.B., first as employee and later as a member of the firm.

E. G. LONG, who was recently chosen president of the Toronto Canadian Club and later second vice-president of the National Club, also of Toronto is a member of the legal firm of Long and Daly. For some years Mr. Long was with the firm of Malone, Malone and Long and specialized in bonds and is to-day looked upon as a leader in that specialized legal field. W. E. Long of Credit Foncier and past president of Dominion Mortgage and Investment Association is his father.

COL. F. M. GAUDET, C.M.G., who has been added to the board of Canadian Industrial Alcohol, was from 1919 to 1921 commissioner of Municipal Service and director of public safety, Montreal. He was also technical executive officer for the Research Council of Canada. In 1914 he recruited the famous 22nd Battalion and commanded it until 1916 when he was recalled to England by the Minister of Munitions. He is said to be one of the most distinguished technical officers and military engineers in Canada.

DOUGLAS W. GUNN, who has been appointed vice-president and managing director of Gunns, Ltd., following the Morris-Armour merger, entered the business he now heads on leaving school and has made a thorough study of the packing business. He made a special study of chemistry and at present is chairman of the Fertilizing Division of the Canadian Manufacturers' Association. From 1918 to 1922 he was chairman of the Soil and Crop Improvement Bureau. He is an enthusiastic golfer and was formerly prominent in rugby and hockey circles.

JULIAN C. SMITH, who has been appointed president of the Quebec Railway, Light, Heat and Power Company, has taken a very conspicuous place during the past few years in Canadian hydro-electric developments. He is president of the new St. Maurice Power Co., vice-president and general manager of Shawinigan Water and Power; president, Public Service Corporation, Quebec City; vice-president Dominion Engineering Works, Limited; president, Canada Carbide Co.; president, Canadian Electro Products Co., and North Shore Power Co., and director of Manitoba Power Co.

CHARLES A ROSE, who has been appointed general manager of the British-American Nickel Corporation, and whose plant at Nickelton is about to resume operations, is a graduate of the University of Nebraska and has engaged in metallurgical practice ever since. He was with the Alder Creek Gold in S. Dakota, was later with the Boston and Colorado Smelting Co. in Denver and then with the American Smelting and Refining Co. From 1911-16 was with the Chuquicamata plant of the Chile Exploration and then was consulting metallurgist for the Guggenheim-Braden Copper of Chile and was assistant to the vice-president. The Mining Journal says the ore he must use at Nickelton is not so rich as that of the International or Mond, and he comes to apply commercially a metallurgical process that has wonderful possibilities, some of which have been demonstrated with hopeful effect during research work of recent years.

GEORGE BRIGDEN, who has been elected chairman of the Ontario Division of the C.M.A., has been a strong supporter and worker for the Canadian Manufacturers' Association for years. He has been a member of the executive committee for some years and in 1915-16 was chairman of the Toronto branch. Last year he was vice-chairman of the Ontario division. In the new position he will be a member of the general council of the C.M.A. Mr. Brigden is to be numbered among Toronto's leading public spirited citizens. He has participated in practically every public movement leading to the betterment of his city, and has done so in a quiet way. He is president of Brigden's, Ltd., Toronto, and vice-president of Brigden's, of Winnipeg. He is an ex-president of the Rotary Club, a member of the executive of the Canadian Club and Empire Club, and was a president of the old Toronto Employers' Association. He is also a member of the National Club, R.C.Y.C. and Western Golf Club. During the war he served on the executive of practically every public organization having to do with war work, giving a tremendous amount of time and energy to the furthering of all such movements. His present post is no sinecure. The Ontario Division of the C.M.C. embraces about 2,000 members and requires a tremendous amount of time in the proper direction of its efforts.

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Bonds of the Dominion Government are Canada's premier security. These should form the foundation of every Canadian investor's holdings.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

CANADIAN FUR AUCTIONS

D. M., Prince Edward Island.—I would be pleased to have your opinion as to the future of the Canadian Fur Auction Sales Co., what the preferred stock is worth and if there is a market for it. I hold two shares of preferred and one of common.

There is no market for either the preferred or common stock of Canadian Fur Auctions Sales Co., Ltd., and we are informed that the stock has no value. The company's operations did not work out as had been planned and as a result of the disappointment the shares are reputed to be almost worthless.

BIRMINGHAM MOTORS

Reader, Peterborough—I will appreciate very much if you will be good enough to give me your opinion on the advisability of paying anything further on stock of the Birmingham Motors. An employe approached the writer on this subject and I advised him that in our opinion it would be sending good money after bad. However, as this may be snap judgment I am herewith asking your opinion. The party in question has paid in $1,100 to the Birmingham Motors and has paid in $30 already and they are now after another $90. I shall be glad to have your opinion.

The company which has been selling the shares of the pre-organization syndicate of Montreal have moved from the office given on their literature, and we have been unable to trace their present address, although somewhat extensive enquiries were made.

At the time Birmingham Motors, Ltd., was organized we advised against the purchase of any stock in the company. It is very doubtful if the shareholders in the former company who contribute to the new organization will ever get any returns for their further payments, and your opinion that to make the further payments would be sending good money after bad is probably correct.

We would certainly advise your friend to consider his present investment as lost and to give no further money to promoters.

DETROIT UNITED

Subscriber, Montreal.—I would like to know what you think of Detroit United; as to whether you think it a good buy at $76 and whether it has a reasonable chance of showing appreciation in value during the next year.

The difficulty with Detroit United is the fact that the company has been almost continuously affected by unsatisfactory relations with the city of Detroit. There is comparative peace in this matter at the present time, but with the outlook as uncertain as it is, the stock assumes a certain speculative position. There are many well informed persons who are giving Detroit United their recommendation at the present time, but the features mentioned will not commend themselves to the serious investor.

BIG DIPPER MINE

Natural Resource Dept., Ottawa.—We are in receipt of an enquiry re Big Dipper Mine & Milling Co. We are unable to furnish the necessary information and would appreciate greatly if you would furnish us with any particulars, as to its existence.

The property is located in Eastern Ontario, three miles east of the Star of the East Mine and three-eighths of a mile west of Massasauga Lake. The head office at the time of the record, 1906, was in Peterborough, and John Fletcher was the president. At that time a certain amount of shaft sinking had been done and some surface prospecting. I understand that geological conditions were somewhat promising and that some free gold was found, but I do not think anything ever came of the venture. Its fate since that time we cannot learn. Perhaps you might be able to locate Mr. Fletcher at Peterborough.

ASBESTOS CORPORATION

F. A., Montreal.—You were good enough to give me your opinion some time ago upon the standing of Asbestos Corporation. As I am still holding a few shares of the common stock which I bought at $93 per share, and as it appears that the market value of the shares will not improve for some time to come, I would appreciate it if you would advise me as to whether you think I would be justified in selling the shares and buying some other security with a view of redeeming my loss in that way.

The outlook for the Asbestos Corp. industry in Canada is quite satisfactory and if you are holding your shares of Asbestos Corp. as an investment, we see no reason why you should sell at the present time. Your loss on these shares is not very big and the investor who purchases for income yield and ultimate returns should not be worried too much by minor fluctuations in his securities. The Asbestos Corp. along with other stocks may suffer some further reaction during the next few months, but the long term outlook is undoubtedly good.

CANADIAN LOCKERS

J. S., Niagara Falls—As a subscriber to your paper, would you advise buying Canadian Lockers, Ltd., at $15 per share?

Canadian Lockers conduct the automatic lockers placed in railway stations, hotels, places of amusement, etc. The number is growing steadily, while the company's portion of the earnings of the lockers, taken on an average over a few years, shows that one year's operations just falls short of paying the actual cost of the locker. Overhead is reasonable and the management good. Some new financing is to be done by ten year, 8 per cent. Locker Trust certificates sold with the Chartered Trust as trustees, the sinking fund charges and interests to be paid out of earnings and deposited monthly. The company has shown a fair and growing profit yearly since reorganization. It has not paid a dividend. The profits have been put back into the business. E. C. Roelofson, president and managing director, says the company has the prospect of ultimately having 50,000 lockers placed throughout the Dominion. He regards the enterprise as one with a great future. We are given to understand that a broker has been operating in your district trying to buy shares at $15. If the stock was worth $50 in 1916, it should be worth more than $15 to-day.

VIPOND TECK-HUGHES

Reader, Grimsby—Thanks for your information on Wakenda. How do you regard Vipond Consolidated at present prices? Would you prefer Teck-Hughes? What do you think of the management of the two? Are there other low-priced gold stocks you prefer or recommend?

Teck-Hughes and Vipond are both well managed mines. Of course, it is hard to compare them. The difference in the price tells the story. One is a proven mine with a known resource of ore and producing over a million dollars yearly. The other is a proven mine with an unknown resource of ore and not producing. Both are speculations of merit.

Almost any of the low priced golds should make you a profit if you will except the Shining Tree ventures which must be hand picked. Porcupine has several and so has Kirkland. Clifton, West Dome Consolidated, Newray, Goldale, Night Hawk Peninsula, Porcupine Davidson, Matachewan, Canadian, Keora, are Porcupine speculations of merit. Lake Shore, Wright Hargreaves, Kirkland Lake Gold are some of the Kirkland Lake companies, and Crown Reserve on Larder Lake.

C. N. R. DEBENTURE STOCK

Reader, Claremont.—I enclose two pamphlets and request that you be kind enough to give me a little information regarding same. The 5% mortgage debentures procurable now for $590 and to bring $1,000 in 1930, not to mention the interest, also that the bonds are not subject to income tax, appears almost too good to be true, backed by the entire resources of the Dominion of Canada. The 4% bonds maturing June 1, 1939, I notice have declined from 90 to 87 during the past few weeks.

We have previously expressed the opinion that the 5 per cent. income charge convertible debenture stock of the Canadian Northern Railway is an excellent speculative investment. The bonds are by no means an obligation of the Dominion of Canada but they are secured by a mortgage on the Canadian Northern lines and there is every reason to feel that they will be met by the Dominion of Canada when they mature in 1930, granting, of course, that the Dominion is still owner of the lines at that time. This, of course, seems almost assured, for there are few people who would feel that the Canadian National Railways can be brought to such a stage of profitable operations in the next seven years as would make the sale to private interests easy to negotiate.

Interest is payable on these debentures if earned, but it would be well if you purchased them to assume that you are not going to have any interest on them, because all the interest on prior obligations of the railroad must be paid before anything would accrue to be applied to interest on these debentures. Your profit will come in the annual appreciation in value as the debentures approach maturity. As the Dominion government does not charge income tax on the increase of the principal value of an investment this capital appreciation would not be subject to income tax. The price mentioned in the circular seems to us to be very high. If you decide to purchase we would advise you to get quotations from other reliable investment dealers who undoubtedly could offer these debentures to you at a lower price.

The bonds of Duluth, Winnipeg and Pacific Railway are not obligations of the Dominion of Canada but so long as the above line, which is part of the Canadian National Railways is owned by the Dominion, interest and principal is likely to be met. This makes it an excellent railway bond but we would point out that the price at which this is offered to you is unreasonably high. There is a very narrow market for this bond in Canada, but nevertheless we feel that at the present time you could get quotations on it at several points below the price at which it is offered to you.

BALANCING A LIST

H. L., Winnipeg—I would like your opinion on the following: I hold at present 20 shares Union Bank and 5 Ogilvie common, 12 Union Bank at $142, 8 shares at $141, and 5 Ogilvie common at $287. I have come to the conclusion that I am top heavy in bank shares, as I am depending on a salary and was thinking of switching from Union Bank into one or more of the best common stocks, and had in mind Dominion Textile common, and Canadian Cottons common. I see in the local papers the executive of Canadian Cottons state they have no intention at present of increasing the dividend and at present price around $134 it seems high for an 8 per cent. dividend. These are the two stocks I would like your opinion on. Also what is meant by splitting a stock? Would it be wise to switch from Union Bank into any more Ogilvies at present price $327?

You are correct when you state that you are "top heavy" in bank stocks, in view of the double liability. You might well have a more diversified list. Perhaps you should consider some of the best preferred stocks. There are many of these which give a good return and a promise of price enhancement with a good margin of safety.

You ask if you should buy more Ogilvies. As we recently told another enquirer there is a feeling in some quarters that the present price discounts an awful lot of good news. On the other hand it is just possible that there may still be a material advance in the price of this issue. The company is in a wonderful position. Perhaps it would be just as well not to put all your eggs in the one basket. The fact that you are depending on your salary is just one more argument as to why you should look to the safety of your purchases. In this connection it might not do you any harm to read an editorial which we carried in our issue of April 13th, headed, "Buying a Mortgage or a Partnership." This deals with the superior claim of a bond as against a stock certificate. You might also consider this from the viewpoint of a preferred and common stock. This will in some measure give you our viewpoint when we suggest that you should look to the major instead of the junior issues of a company.

You ask about two textile issues. Again calling your attention to the benefits of having a diversified list, we would state that the two issues you ask about, Dominion Textile common, and Canadian Cottons, common, are numbered among the leaders of this group. Both are very excellent issues.

Marginal Trading in Mining Stock and the Dangers of Such Trading

Subscriber, Fergus—Kindly let me know what you think of the following mining stocks: Wasapika, Argonaut, Teck Hughes, Keora and Consolidated West Dome Lake.

We never encourage marginal trading. Perhaps you recognize the pitfalls of such trading, especially in mining stocks. In the first place, mining stocks are acceptable in but few cases as collateral, although there is a perceptible change in this condition coming gradually. Therefore a broker dealing heavily in mining issues on margin places himself in a position where, with a sudden and heavy break in the market, his house might be in danger of collapse. And of course the purchaser on margin is in just as precarious a position. His individual stock may decline suddenly. Then we say to the man who will trade on margin, buy only what you could take up and pay the full price for, if you had to, and if you want to play safe, and if this can be done, then there is little reason for not buying outright in the first place.

Also the dangers of marginal trading will be accentuated in your case by the fact that you are removed from close touch with the market and would perhaps not be in a position to protect yourself in case a stock broke rapidly until it had maybe reached the bottom.

Wasapika is being operated by the Ribble Gold Mines which controls this company, and shareholders who have shown a keen interest in a real mining effort have transferred into Ribble shares. The property is in Shining Tree. It is not a good buy.

Argonaut has shown remarkable buoyancy and has just moved up past the 80 cent mark. The company is now putting the finishing touches on its mill and may be operating in June. There is some nice ore in sight, some reports have placed this total at enough to run the mill two years. Trouble was experienced in working out a suitable method of treating the ore on this property owing to the presence of copper. It is stated that the mill embodies a successful method. Actual operations will be watched with interest. The costs of such treatment will be important inasmuch as it will have an important bearing on the margin of profit.

Teck-Hughes has improved wonderfully since it took over the Orr property, and gives every promise of being a large producer. It is now operating at a rate a little better than one million a year. The company has plans to sink its shaft to the 2,000-ft. level. The bond indebtedness of $324,000 is still to be wiped off before dividends are to be expected.

Keora is a speculation on which you should get a run for your money. You will have noted that it was recently financed in England at 50 cents a share. The property is in north Whitney. Engineers who have examined the property declare that it has a good chance.

Consolidated West Dome Lake is an amalgamation of two properties that have already produced. The property is regarded highly and was recently recommended by a leading engineer to some clients in the U. S. as a purchase of merit.

Lake Shore gives promise of being a big mine. The shaft is being enlarged and the mill capacity will be carried to 300 tons. This will materially increase earnings and profits and dividends. It is generally felt that the price of this issue should show a fair enhancement in the course of a year because of the proposed increase in output.

RSC INVESTMENT · SERVICE

In Universal Demand

THE business of The Continental Paper Products, Limited, commends itself to investors. The Company manufactures, at Ottawa, a wide range of paper specialties—paper bags, drinking cups, commercial envelopes, etc.,—for which there is a constantly increasing demand.

THE Company's bonds are secured by first mortgage on properties worth three times the amount of bonds outstanding; and in addition are unconditionally guaranteed as to principal, interest and sinking fund, by Continental Paper & Bag Mills, of New York, which is one of the largest manufacturers of paper specialties in America.

WE offer Continental Paper Products 6½% First Mortgage Bonds in $500 and $1,000 denominations, at 99½ and accrued interest, to yield 6.55%. From an investment so well secured, the yield is unusually high.

Write for descriptive circular

Royal Securities Corporation, Limited

164 St. James Street, Montreal

CURRENT OPINIONS

SUPPORTING THE WEST

Mail and Empire

The Parliamentary banking committee is hearing opinion from the West on our banking system, but little is said about the value of the centralized system in conditions such as those in the West to-day. If the Canadian banks were separate local concerns on the American basis, how long could Western ones have stood the series of bad years and low-price depression without a crisis? The outstanding economic feature in Canada to-day is the way centralized control of a branch banking system is carrying the West through until it gets back on its feet. It was stated to a Parliamentary committee recently that retailers in Saskatchewan owed $100,000,000. Who carries that? The banks. If the Canadian banking system were not strong enough to protect a large section of the country against a break-down from a long period of adverse conditions, the West would have more to complain of. The Westerners have had too much and too easy credit, as they themselves now admit, and perhaps the time may come when they will admit that the banks, on the whole, have treated the West with fairness and generosity.

ONE MARITIME DIFFICULTY

Charlottetown Patriot

It is frequently asked why the Maritime Provinces, despite their natural resources, have not shown greater industrial development and a larger increase in population.

In the last number of THE FINANCIAL POST of Toronto under the head of "Investors' Inquiries" there were four letters from would-be investors in the Maritimes. All asked for information about enterprises located outside of the Maritime Provinces.

Nearly every issue of a Canadian financial journal will indicate that Maritime Investors are keenly interested in enterprises in other parts of the world. Distance lends enchantment to the view, and the many instances of Maritime investors having lost money in gold mining, oil or pulp enterprises, over which they could not exercise personal supervision have had little effect.

But unless people who make enough money in the Maritimes to invest outside their personal business put their surplus in Maritime enterprises progress here must be slow. Moncton is one of the Maritime communities which seriously tries to justify its faith by work for the development of local enterprises.

THE OTHER SIDE OF THE CASE

Regina Leader

The manager of the Weyburn Security Bank struck a new note before the parliamentary committee on Banking and Commerce. He told the committee that he had records of 240 farmers in his district who have been saving money at the rate of $600 per year each year since they came to the country; over and above any supposed increase in the value of their farms.

That is decidedy different from the blue ruin talk with which the committee has been deluged by other speakers who assumed to present the conditions of the Western farmer. It flatly contradicts the favorite claim of Mr. H. W. Wood that Western agriculture is a money-losing business, and must continue to be such unless we set up a wheat board to take the consumers at home and abroad by the throat and compel them to pay more for what they have to eat. And it is a convincing rejoiner to the plea that the Western farmers cannot be prosperous unless the Government takes to issuing fiat money and lending it to him at the cost of printing; or sets up a loan agency and breaks the market value of real money.

Canada Adds [illegible] to Stock Holdings

An analysis of shareholder's lists of ten large companies, showing striking gains since 1914—one of the interesting features in the new issue of Greenshields Review.

Write for a copy.

Greenshields & Co.

Dealers in Canadian Bond Issues
Members Montreal Stock Exchange

Montreal: 17 St. John Street and Mount Royal Hotel
Toronto: 14 King St. E. Ottawa: Central Chambers

You can get high interest

from bonds guaranteed by Canadian Provinces which, insofar as ultimate security goes, rank the same as direct Provincial Bonds. For example, we are offering Town of Timmins Roman Catholic School Board 5½% Bonds to yield 5.30%. Principal and interest on these bonds are guaranteed unconditionally by the Province of Ontario.

You may obtain these bonds due in any year from 1924 to 1943, thereby meeting your individual requirements with regard to maturity. Denominations are $1,000 and odd amounts.

Write for full particulars.

Wood, Gundy & Company

Toronto, Winnipeg, London, Ont.
36 King Street West, Toronto, Telephone: Main 4280
Montreal, New York, London, Eng.

In the Final Analysis—*Earnings*

The true value of an Industrial Investment is measured by the ability of the Company to show earnings for a period of years substantially in excess of all Interest and Sinking Fund requirements.

Average annual earnings of the

Canadian Paperboard Company, Limited

have been over 2½ times Bond interest requirements for the past six years, and at the present time are more than 3½ times interest charges.

The paperboard business is today one of the key industries. Practically every article of consumption, wearing apparel and use in our everyday life is put up, shipped or delivered in a paperboard package.

A long term bond yielding 7%.

Price: 100 and accrued interest.

Circular H-4 mailed on request

Canadian Debentures Corporation Limited

Established 1910

36 KING ST. EAST TORONTO

Investment Suggestions

	YIELD
Montreal Protestant School, 5%, 1952, 98¼, (Trustee Investment in Ontario)	5.15%
Woods Manufacturing Co., Ltd. 6%, 1943, 98½,	6⅛%

Write or telephone for further particulars

UNITED FINANCIAL CORPORATION LIMITED

14 King Street East, TORONTO

MONTREAL OTTAWA LONDON, Eng.

OSLER & HAMMOND

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WINNIPEG

DIVERSIFY YOUR HOLDINGS

Prosperity in various industries and sections of the country should, at this time, be put to your personal profit.

A well-diversified list of high grade securities lends a wide margin of safety.

We will be pleased to consult with investors in regard to their holdings and to suggest switches wherever advisable.

JOHNSTON AND WARD

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BEFORE INVESTING CONSULT THE

OLDEST BOND HOUSE IN CANADA

Underwriting and dealing exclusively in Government, Municipal and Canadian National Railway Debentures.

G. A. STIMSON & CO.

Limited Estab. 1888

36-38 KING ST. E., TORONTO

The dependability of our advice is guaranteed by our reputation as dealers in bonds only, for over 35 years.

$750,000 of bonds sold in one afternoon

–by Long Distance

A prominent Toronto security house advises us that in one afternoon, working on a list of customers who had been previously advised as to the facts of an offering, with 41 Long Distance calls they sold over $750,000 worth of bonds.

An average sale of over $18,000 per call.

This is only one report of many that reach us, showing how capable salesmen accomplish more by using Long Distance than they could in any other way.

Frank Kennedy

Manager.

THE BELL TELEPHONE COMPANY OF CANADA — LONG DISTANCE TELEPHONE

Every Bell Telephone is a Long Distance Station.

NEWS AND VIEWS ABOUT BONDS

OPINION DIVIDED AS TO COURSE OF CAN. BOND MARKET

Trading Narrow — Victory Bonds Lower — Many Bids for New Issue

Opinion is divided as to the possible course of the bond market in Canada. The drop in sterling exchange has not tended to increase buying by London, even though a steady demand for good securities appears to exist, an issue of New Zealand bonds being sold to yield less than 5 per cent. The New York bond market has made some slight recovery but no decided move is yet in sight.

The demand for bonds in Canada has not been keen and trading has narrowed somewhat. As a result, Victory Loan bonds are slightly lower but the bids on issues sold during the week continued high.

Many believe that the bond and mortgage rates are too far apart but they hesitate to say which rate will change. The mortgage rate has shown a tendency to soften for some time; this tendency will be accentuated if Canadian building plans should be contracted, following the United States lead.

Some bond dealers refuse to stock up in bonds, believing that present prices are too high, but sufficient demand to ensure high prices on new issues is in evidence. Money is plentiful and the volume of new financing in sight is small. This leads many to believe that the demand will hold prices at present levels until investors become reconciled to the lower yields.

A number of municipal issues sold during the week brought good prices, nineteen bids being received for one.

Wood, Gundy and Company purchased the bond issue of the Protestant Hospital for the Insane at Verdun, Que., amounting to $200,000, bearing interest at 5 per cent., and maturing in 20 years at a price of 97.79. The issue carries the unconditional guarantee of the province of Quebec. The institution is borrowing at a cost of 5.18 per cent.

The bids were:

Wood, Gundy & Co.	97.79
Rene T. Leclerc & Co.	97.77
A. E. Ames & Co.	97.59
United Financial Corp.	97.54
Royal Securities Corp.	97.37
National City Co.	96.64
Hanson Brothers	96.05
Nesbitt, Thompson & Co.	94.51

County of Renfrew bonds amounting to $100,000, bearing interest at 6 per cent. and repayable in twenty annual instalments were awarded to C. H. Burgess and Company. At the purchase price of 105.72, the money is costing the county approximately 5.32 per cent.

The tenders were as follows:

C. H. Burgess & Co.	105.72
Wood, Gundy & Co.	105.588
Dyment, Anderson & Co.	105.538
Matthews & Co.	105.362
Gairdner, Clarke & Co.	105.132
R. A. Daly & Co.	105.035
Dominion Securities Corp.	105.033
Macneill, Graham & Co.	105.03
Bain, Snowball & Co.	104.756
McLeod, Young, Weir & Co.	104.57
Municipal Bankers Corp.	104.53
United Financial Corp.	104.512
A. Jarvis & Co.	104.31
A. D. Morrow & Co.	104.078

Credit-Canada, Limitee, were the successful tenderers for the issue of $100,000 5 per cent., 20-year bonds of the city of Sherbrooke. At the sale price of 96.94 the money is costing the municipality approximately 5.25 per cent.

The bids were:

Credit Canada Limitee	96.94
Aird, McLeod & Co. and Murray & Co.	95.82
Matthews & Co.	95.77
Johnston & Ward	95.762
A. D. Morrow & Co.	95.567
R. A. Daly & Co.	95.535
Rene T. Leclerc Inc.	95.376
Hanson Bros.	95.30
A. Jarvis & Co.	95.279
Gairdner, Clarke & Co.	95.27
McLeod, Young, Weir & Co.	95.27
Wood, Gundy & Co.	95.27
C. H. Burgess & Co.	95.23
Dominion Securities Corp.	95.07
Nesbitt, Thompson & Co.	95.027
Municipal Bankers Corp.	95.02
Macneill, Graham & Co.	94.93
Corporation des Obligations	94.021
Versailles, Vidricaire & Boulais	94.01

The village of St. Laurent, P. Q., sold its issue of $75,000 20-year, 5½ per cent. bonds to the Municipal Debenture Corporation at 100.39, the money costing the village 5.47 per cent. The tenders were:

Municipal Debentures Corp.	100.39—5.47% approx.
Rene T. Leclerc Inc.	99.26
Geo. Beausoleil & Co.	99.25
Dominion Securities Corp.	99.17
Versailles, Vidricaire & Boulais	99.04
Credit Canadian, Inc.	99

The issue of $60,000 town of St. Madelaine d'Outremont, P. Q., bonds were sold to the Municipal Debentures Corporation at 103.09, a 5.59 per cent. basis. The bonds run for 10 years and bear 6 per cent. interest.

Tenders received were: :

Municipal Debentures Corp.	103.09—5.59% approx.
L. G. Beaubien & Co.	102.30
Geo. Beausoleil & Co.	102
Rene T. Leclerc, Inc.	100.88
Credit Anglo Francais	100.69
Credit Canadian, Inc.	99.61

An issue of $49,000 school district of Woodlawn, Man., 7 per cent., 20-year instalment bonds was awarded to the Bond and Debenture Corporation at 102.75. A tender of 100.17 was also received from Gairdner, Clarke & Co.

Two issues, one of St. Boniface, Man., and another of Dauphin, Man., were sold privately to Brandon, Gordon & Waddell, of New York. The former issue totalled $125,000 and the bonds bear interest at 5½ per cent., maturing in 20 years. The latter amounted to $75,000, maturing in 5 years and bearing interest at 6½ per cent. The price paid for the St. Boniface bonds was 98.50 and for the Dauphin bonds 102.00.

ENCOURAGES BUYING OF BONDS BY RADIO

Plan to Broadcast Investment News—Building Liquid Assets

A movement, which may be developed to the advantage of many rural districts, was started in Regina recently when W. M. Houston, managing director of the Regina Brokerage & Investment Company, Ltd., spoke by radio on "The benefits to Saskatchewan in her citizens becoming bond buyers." He mentioned the large amounts of various Victory loans which were purchased by Saskatchewan people and the large part of these which have since been sold, mostly to buyers in Eastern Canada, due to the low prices for farm products and accumulation of debts.

He compared the position of the farmer who bought up additional land and equipment during the period of high prices and now finds himself heavily in debt with that of the man who invested his surplus in bonds and now has an asset which can be readily realized on at any time.

Following this his address dealt with the inherent difference between bonds and stock, the former a loan under definite conditions, the latter a share in ownership. Speaking briefly on provincial bonds, especially those of Saskatchewan, he said:

"The highest face rate of interest borne by any of our Saskatchewan provincial issues has been 6 per cent. and the longest maturing date of any is 1954. All told there are 27 loans outstanding.

"Saskatchewan has guaranteed three railway bond issues, two being of the Grand Trunk Pacific branch lines and the other one of the Canadian Northern Railway. These railway lines are now entirely absorbed in the National Railway system, and the safety of the bonds is conceded by all, although they show a slightly more generous yield to the investor than the straight provincial bonds."

He spoke of the supervision of the local government board over all the capital expenditures and sinking fund investments at present, the security of railway bonds now forming part of the Canadian National system and the good assets behind many industrial bonds. In conclusion he said:

"Watch your surplus, invest it in sound securities which will be negotiable for collateral, clip the coupons and reinvest them and help create in our province a sturdy and self-reliant people."

The spreading of investment information in this manner does not hinder legitimate investment houses but aids them by making it harder for the dishonest so-called "financiers" to operate.

BOND MEN APPROVE CHEQUE TAX CHANGES

The announcement by W. S. Fielding, the Minister of Finance, that the maximum tax on cheques is reduced from $2 to $1, will afford some measure of relief to the financial community, especially bond dealers.

A great many transactions in bonds require cheques for large amounts to be issued. The change now made affects all those over $2,500. A great deal of trading is done between bond houses, involving many large cheques on an active day. As the margin of profit on bonds is much smaller than on commodities, the tax bears particularly heavy on bond dealers, and the present changes will effect a material measure of relief.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	96½	96¾
Algoma Steel 5's 1962	44	47
Amer. Sales Book 6's 1927	97	..
Ash. Hardware 5 p.c. 1928	91	..
Brompton P. & P. 8% 1941	109¼	..
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	..
Dom. Iron Steel 5's 1930	80	82
Dunlop Tire 6's 1927	98½	..
Dom. Sewer Pipe. 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93½	..
Gord. Iron & Fare 6's 1927	..	40
Harris Abattoir 6's 1928	99	..
H. Smith Paper 7% 1941	101	102
King Ed. Hotel 7's 1933	86	88
K. & S. Tire 7's 1935	78	82
L. Superior Paper 6's 1941	103	.
Marcus Loew's 8% Notes	..	96
Mattagami Pulp 6's 1937	62	..
Mattagami Pulp 7% Deb.	35	38
Morrow Screw 6's 1931	84	..
Neilson's Wm. 6's 1933	97	..
N. S. Steel 6% Deb.	85	89
Stan Clay Pro. 6% 1942	..	90
Western Power 5's 1949	85	87
Whalen Pulp 7% Deb. 1932	63	65
Burns P. 1st Mtge. 6's 1924	104	..
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb.	89	91
Manitoba Power 7's 1941	99	101

VALUES OF BONDS DEPEND ON MANY CONSIDERATIONS

Competent Legal Opinion is Important—Past Record a Factor

An echo of the difficulties which some Canadian municipalities have experienced through faulty legal opinions is contained in a pamphlet being circulated by a large American bond house. Municipal officials and those purchasing bonds would do well to note the conditions set forth in dealing with their debentures.

The pamphlet says in part:

"The safety of municipal bonds depends upon

"(1) Their conformity to legal restrictions and requirements governing issuance.

"(2) The ability of the community to pay.

"(4) The enforceability of the obligation in cases where the ability to pay is questionable, or the will to pay is lacking.

"Whether or not the bond is legally issued must be left to the opinion of counsel. It is a subject of such technicality that it cannot safely be appraised by other than the trained judgment of an experienced municipal bond attorney.

"An estimate of the ability and will to pay requires a study of present and past conditions, and of those which may be reasonably anticipated in the future. Is the community prosperous, possessed of stable resources, well located for future growth and development, equipped with complete and modern municipal facilities? If so, its ability, and hence perhaps its willingness to pay is less likely to become impaired than if it is a boom town, or a one industry town, or a place unfavorably located and with waning prosperity. Inadequate municipal improvements mean that heavy expenditures with probable increase in debt may reasonably be anticipated. Is the debt burden, including the debts of overlapping municipalities, unduly heavy? This question of the aggregate debt deserves closer scrutiny than it usually receives.

Size is an element not of itself having much direct bearing on relative safety. A small community is sometimes dependent on one industry or transportation route, making its taxable values more precarious than those of a larger community with diversified resources. Obligations of small communities are subject to price discrimination because, first, they lack a high degree of marketability, and second, they are more likely to suffer from the neglect of municipal officials in respect to such details as promptness in the payment of interest.

"Attempted default or repudiation in the past leaves a blot on credit hard to live down. Unsound governmental conditions or a voting population largely lacking in intelligence and conservatism hint a possible lack of willingness to pay if ever the tax burden becomes excessive.

"In cases where the ability to pay becomes questionable, or the will to pay is lacking, the legal enforceability of the obligation becomes of paramount importance. Moreover, a community may be financially capable of meeting its obligations, and yet hindered or even prevented from doing so, because of constitutional or statutory limitations. It is a fact that the obligations of communities in one state are often not so completely enforceable as those of similar communities in a neighboring state. It is also true that among the bonds issued by a particular community, certain issues are frequently more secure than others. Yet the bond buyer is all too often not aware of these fundamental legal differences affecting the integrity of his investments. Even the laws restricting the bond holdings of Eastern savings banks and trust funds stress the will and ability to pay factor and largely ignore this question of legal enforceability. A municipal bond lacking this factor may be of the highest character as a moral obligation of the issuing municipality. It must, however, be considered in the light of ability to pay and will to pay without the element of legal enforceability."

Many of the difficulties mentioned have been experienced by Canadian municipalities. Those in Western Canada have been forced to pay higher rates for their money, owing to the defaults of a few, and instances of bonds being issued under circumstances later found to be illegal are on record.

Final Mount Royal Debentures Placed

From Our Own Correspondent.

MONTREAL.—The final treasury block of 8 per cent. debentures of the Mount Royal Hotel has been sold to Credit Canada, Ltd., who are now offering them to the public. The terms of the offering are the same as previous issues of this security except that the bonus of common stock has been placed at 20 per cent. instead of 30 per cent. as formerly.

BOND MOVEMENTS OF THE WEEK

Week Ending May 15th.

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Range 1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	Week End High	Week End Low
Asbestos	5	1942	5.85	100	76	90	87½	90	—	90	—
Can. Bread	6	1941	6.03	99	88½	100	96	99¾	99	99¾	99¼
Can. Locomotive	6	1951	6.12	100¼	99	99	96½	99¼	96½	98¼	—
Can. Cement	6	1929	5.60	100½	94	102	100	—	101½	102	—
Cons. Rubber	6	1946	5.84	100¾	88	102½	100½	—	101¾	102	—
Cedar Rapids	5	1953	5.22	97½	93	96⅞	94⅞	97	96½	96⅞	95
Dom. Textile (a)	6	1925	5.62	101	97¼	100⅞	99¾	—	100¼	100⅞	—
Dom. Canners	6	1940	6.17	97	93	99	95¾	—	97	98	—
Lyall Cons.	6	1932	7.02	85	75	93	85	—	93	93	—
Montreal Power	4½	1932	5.17	93½	91½	95	92	95	—	95	—
Montreal Sept.	6	1923	6.00	102	99	100	99¾	100	99¾	100	99¾
Quebec Rly.	5	1939	7.00	87¼	63½	82	69	79½	79	82	78¼
Steel of Can.	6	1940	5.90	100¾	97	101½	99	—	101¼	101½	101
Wayagamack	6	1951	7.15	88¾	71¾	86½	80½	—	86	86	—
War Loan	5	1925	4.71	96.30	96.10	100.90	99.10	100.95	100.80	100.80	100.60
Do.	5	1931	4.80	99.60	96.25	101.80	99.80	101.70	101.50	101.70	101.35
Do.	5	1937	4.75	101.50	99.50	103.30	100.25	102.75	102.55	102.90	102.50
Victory Loan	5½	1923	4.48	100.70	98.75	100.95	100.25	100.65	100.50	100.65	100.50
Do.	5½	1924	5.08	100.75	98.00	101.40	100.25	100.75	100.60	100.75	100.45
Do.	5½	1927	4.70	102.70	99.75	103.50	102.35	103.45	103.25	103.50	103.00
Do.	5½	1933	4.81	104.35	101.25	106.70	104.40	105.70	......	105.65	105.25
Do.	5½	1934	5.15	101.45	98.80	103.90	101.30	103.06	103.00	103.40	103.00
Do.	5½	1937	4.78	106.25	103.00	108.40	106.50	107.90	107.65	108.00	107.75
Do. Renewal	5½	1927	5.00	101.10	99.40	102.80	101.00	102.40	102.00	102.50	101.00
Do., Renewal	5½	1932	5.15	101.10	99.70	103.00	101.00	102.75	102.60	102.65	101.90

West Kootenay Power Bonds Offered Soon

From Our Own Correspondent.

MONTREAL.—The West Kootenay Power bonds that were authorized recently by the company, and which bear the guarantee of the Consolidated Smelting Company, will be offered in a few days by the National City Company and Hanson Brothers. The issue consists of $1,750,000 of 6 per cent. twenty year bonds.

Consolidated Smelting is virtually a C. P. R. proposition and this gives the new bond issue a good ranking from the start. The company serves a number of towns and industries in the British Columbia mining and fruit district and is considered to have very excellent prospects.

The issue will likely be offered at par to yield 6 per cent. to the investor.

An interesting feature concerning this company is that its bonded indebtedness is the lowest per developed horse power—less than $52—of any power company in Canada.

Issue of Bonds for New Paper Company

It is announced that the Hamilton Cove Pulp and Paper Company, which was granted provincial letters patent last week and has its head office at Quebec, will float an issue of $500,000 6½ per cent. bonds.

This company will exploit the Mille Vaches Seigneurie timber limits on the north shore. It is understood that the St. Regis Paper Company will take half of the bond issue, having a ten-year contract for purchase of the production of the newly-organized company.

WAYAGAMACK 6's due 1951

We deal actively in these bonds and offer them at the market.

Yielding about 7.05%

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255 Bay St., Toronto

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McKinnon Bldg. TORONTO.

Telephone Adel. 3870

McDonagh Somers & Co.

Government and Municipal Bonds

Dominion Bank Bldg.

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Canada

6½%

for 20 Years

We offer the 6½% First Mortgage Sinking Fund Gold Bonds of P. Burns & Company, Limited, of Calgary.

These Bonds are, in our opinion, a most reliable investment, and we have much pleasure in recommending them at the price of 100 and interest, to yield 6½%.

We also offer the 5% Province of Alberta Bonds, due April, 1943, at 97.53 and interest, to yield

5.20%

Inquiries and orders will receive our prompt and careful attention.

R. A. DALY & CO.

BANK OF TORONTO BUILDING

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Investment Advice

Forty years' experience in the field of Investment Securities qualifies us to furnish our clients with detailed particulars and sound financial advice concerning each and every market offering.

We invite your enquiries in this regard and, if desired, we will gladly offer suggestions for a profitable re-adjustment of your holdings.

You incur no obligation by writing us and our entire organization is at your service.

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Investment Securities

160 St. James St. Montreal — 63 Sparks St. Ottawa

SHAWINIGAN RIGHTS EXPIRE

On Thursday the 31st of this month, the right to exchange the fractional shares of St. Maurice Power Company, Limited, will expire.

On 1st of March, St. Maurice Power certificates were mailed to holders of Shawinigan Water & Power stock, in the proportion of one share for every 20 Shawinigan shares.

The market price for each fractional certificate is approximately $2, representing about $42 per full share.

We should be glad to facilitate sale or purchase of fractions.

Dickinson & Walbank

Members of Montreal Stock Exchange

152 St. James Street, Montreal

Main 4090 - 4093

T. Kelly Dickinson, J. Y. K. Walbank

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CIVIC AND PROVINCIAL FINANCE

AMUSEMENT TAX NOW LEVIED IN ALL PROVINCES

Many Claim Municipality Should Receive at Least Half Proceeds

Realizing the duplication of taxing authority in a country such as Canada where taxes are levied by Dominion, provincial and municipal bodies, the Canadian Tax Conference which met recently in Toronto is aiming to bring about a correlation of the tax collecting agencies.

In furtherance of this aim, a bulletin has been issued dealing with the Amusements Tax. It was formerly a common practice to levy tax on travelling shows chiefly on the grounds that such a show had no permanent place of business and therefore was not reached by other forms of taxation. The Amusements Tax, however, is quite different. It is levied in the case of many forms of amusement, both permanent and transient, in all the provinces. A typical example of what constitutes a taxable amusement in any province is defined in the British Columbia act as follows:

"'Place of Amusement' shall mean any theatre, moving picture, open air theatre, amusement hall, concert hall, music hall, circus, menagerie, race course, baseball park, athletic park, amusement park, skating rink, or other place where an exhibition or entertainment is given or game played and an entrance fee charged or collected through the sale of tickets or otherwise, and such places as may from time to time be declared to be places of amusement by order of the Lieutenant-Governor-in-Council."

An exemption from the tax is given to entertainments for religious, charitable and patriotic objects. It is argued that people who can afford to patronize amusements can, without inconvenience, contribute a small amount to the maintenance of government. Moreover the tax is easily collected by the owners of the amusement.

Opinion is varied on the question of which authorities should receive the proceeds of the tax. At present it is paid to the provincial governments, except in Saskatchewan and Quebec. In British Columbia the provincial government retains the revenue derived in this manner, except that from the pari-mutuels at race meets. This is apportioned among the several municipalities in the province in proportion to their respective populations. In Quebec the tax is levied by the municipality and one-half the gross receipts are turned over to the provincial treasury department. In Saskatchewan a municipality may, after passing the necessary by-law, collect the tax and retain the proceeds for its own use. In all the other provinces the provincial treasury secures the proceeds.

Those who believe that the municipalities are entitled to at least half the proceeds, advance several reasons for their attitude. They say that the tax is not universal, being levied only in the districts where the particular amusement exists, and the bulk of the revenue comes from the inhabitants of the municipality. They also point out that the expenses of providing police and fire protection to amusements, and the people in attendance at amusements, and the expenditures on health, roadways, etc., necessitated in part by the existence of amusements, and contributing to the profitable character of such amusements, as well as other forms of business, are mainly contributed by the taxpayer of the municipality where the amusements are carried on.

Offer Bonds to Build Big Storage Warehouse

From Our Own Correspondent.

MONTREAL. — The investment house of Versailles, Vidricaire and Boulais, Limited, will offer next week an issue of $500,000 of bonds of the J. A. Baillargeon Express Company, the largest cartage and warehousing firm in Canada. The bonds form part of an authorized issue of $600,000 which has been created to provide funds for the erection of a six-story warehouse 85 feet by 150 feet. The bonds pay 6 per cent. interest and mature in twelve years serially and will be offered to yield 6½ per cent. Average earnings for the past ten years are stated to be more than twice interest requirements on this issue, while earnings when the new warehouse is finished are expected to be greatly improved.

YARMOUTH BONDS

On the town of Yarmouth, N. S., bonds sold recently, a bid of 96.139 was made by W. F. Mahon & Co., Halifax.

JOHN O. WILSON, formerly of A. E. Ames & Co., Toronto, has opened an office at 64 King St. E., Hamilton, Ont. for the purpose of dealing in Government, Municipal and Corporation Bonds.

LITTLE WAR-TIME TAXES FOR WAR EXPENDITURES

(Continued from Page 1)

fiscal effort must be judged, not in whole by these theoretical canons, but largely by the force of the circumstances which prevented a better result.

Where there is smoke there is fire, and the present interest in taxation among business men indicates that the burden of supporting the government has been heavy and must be lightened or more equitably distributed if the country is to progress. Small consolation will it be to learn, as subsequent articles will show, that not one penny of the war taxes went for furtherance of the conflict—all were utilized in meeting current permanent or capital, and railway outlays.

Summary of War Effort

If the surest way to appeal to the interest is through the pocketbook, those who ponder over these figures from April 1, 1914, to March 31, 1921, should be provided with considerable material for thought:

(1) Taxes amounted to about 80 per cent. of total revenue.

(2) Of these taxes about 16 per cent. were levied on wealth and income and 84 per cent. on consumption and expenditure.

(3) Excluding outlays on railways, the surplus revenue over current and capital expenditure could meet only about one-twentieth of the direct war cost.

(4) As a result, the net national debt was increased from $335,996,850 in 1914 to $2,340,878,988 in 1921—an increase of $2,004,882,138. This sum is greater than the total savings in the chartered banks in Canada.

(5) Of this debt $1,988,494,357 was located in Canada in 1921.

(6) To meet this debt there was in 1922 a sinking fund of $26,491,979 or 1.13 per cent.

Realize also that there are annual charges for interest, etc., on the debt of about $140,000,000—greater than the total revenue in 1914—pensions of about $40,000,000 and huge railway outlays in addition to the ordinary administrative and growing capital expenditures—a total estimated for this year at well in excess of $400,000,000, an annual expenditure which is greater than the total debt before the war.

Compared with the United Kingdom or the United States our effort has been disappointing. The failure to balance the budget is serious—the failure to provide an adequate sinking fund is even more serious. Such a situation demands the sympathetic consideration of every Canadian. There is absolutely no thought that Canada cannot meet her obligations, but in succeeding articles some effort will be made to apply constructive comment to the pressing national problem of raising the taxes most equitably and without undue disturbance.

Tenders and By-Laws

TENDERS WANTED

May 21, Three Rivers School Commission—$60,000, 5 and 5½%, 30 year debentures. Arthur Nobert, Treasurer.

May 21, Hanley, Sask.—$3,500, 7%, 15-instal. debentures. A. Holm, Clerk.

May 21, Buckingham, Que.—$65,000, 5%, redeemable in 1950. David Roy, Sec.-Treasurer.

May 22, St. Dominique de Jonquieres—$100,000, 5½% and 6% serial bonds, maturing from 1923 to 1942.

May 22, Jonjuire, Que.—$46,200,5, 5½ or 6% bonds redeemable 1924 to 1950.

May 22, Bagotville, Que. — $60,000, 5½% debentures maturing in 1925.

May 28, Herbertville Station.—$21,600, 5½%, 10-year bonds.

May 31, Greenfield Park, Que.—$70,000, 5½%, bonds.

May 29, St. Lambert, Que.—$115,000, 5½%, 5-year debentures.

May 21, Campbellford.—$68,000, 6%, 30-year high school debentures. F. W. Wood. Treasurer.

June 2, Vernon, B.C.—$30,000, 5½%, 15-year waterworks debentures.

DEBENTURE NOTES

May 22, Jonquiere, Que.—$46,200, 5,

Alberta.—Two irrigation debenture issues and a provincial government refunding issue will be put on the market by the Treasury department about the middle of June. The former will comprise a total authorized issue of $209,000 for the newest irrigation district adjoining the Canada Land Irrigation project near Medicine Hat, and a balance of $100,000 on the authorized total for the United District, which will now be required for the completion of the work. Both issues will carry a Government guarantee, and the Provincial Treasury will handle the sales.

Probably at the same time an issue of $500,000 will be offered for refunding purposes to cover Provincial issues maturing July 1. This will probably be sold separately, however, from the irrigation issue.

When the three sales have been closed all the bond marketing in sight for the Province both for Government and irrigation purposes will be disposed of, it is expected, until the late fall. There will be another refunding issue some time in November to meet a $3,600,000 obligation maturing December 1.

MORE THAN 4,000 MUNICIPALITIES IN NINE PROVINCES

Quebec Has Largest Number and Has Run Short of Names

From Our Own Correspondent.

MONTREAL. — There are more than 4,000 organized municipalities in Canada. Not including school districts, which largely overlap municipal organizations created for purposes of local government and taxation and may therefore be considered as duplication, there are 4,177 municipalities in this country. Quebec has the largest number of any province due to the division of the whole province into small parishes which have recognized municipal standing under the laws of the province. Quebec has 1,377 municipalities, of which 943 are parishes. Saskatchewan comes second with 966 municipalities, which include a host of 350 small villages and 531 rural municipalities. Then comes Ontario with 918 municipalities, including 561 townships.

Number in Each Province

The numbers of organized municipalities in each of the provinces is as follows:

Prince Edward Is.	10
New Brunswick	32
Nova Scotia	77
Quebec	1377
Ontario	918
Manitoba	175
Saskatchewan	966
Alberta	561
British Columbia	61

A Host of Titles

Classifying Canadian municipalities according to the titles given to them we have the following figures:

Cities	102
Towns	463
Villages	908
Counties	139
Districts	28
Townships	561
Parishes	943
Rural Municipalities	818
Improvement Districts	215

The apparently large number of cities is due to the fact that in British Columbia almost any municipality that in the other provinces would get the rank of town or village gets the status of city.

Who Names Them All?

Naming the towns and cities is a difficult task and sometimes the namers run short of new ideas, not having the versatility of pullman car christeners. Quebec municipalities have made a drive on the saints and many of the saints are represented in several different municipalities, causing no end of confusion to postal officials and others. There are four St. Agathe's, three St. Alexandre's, six assorted St. Andre's and thirteen St. Anne's with various affixes. Most of the other names have been freely used over and over again.

Perhaps the most originality has been shown in naming Ontario townships where 561 names have been dug up, only occasionally resort being had to the expedient of calling townships Oxford East, Oxford North, Oxford West, etc.

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain 7% pfd.	93	95
Do., com.	106	112½
Belding Paul, pfd.	87	90
Canada Mortgage	67	..
Can. Westinghouse, com	129	133
Can. Machinery, pfd.	37	43
Can. Marconi Wireless	2.25	2.75
Cockshutt Plow, 7% pfd.	43	46
Can. Oil Companies, pfd.	96	98½
Do., com.	..	53
Commercial Finance, pfd.	70	76
Cosgrave Breweries	7½	8½
Continental Life	105	..
English Electric, com.	..	18
Do., pfd.	76	..
Dom. Power & Trans. pfd.	92	..
Do., com.	39½	42½
Dunlop Tire, 7% pfd.	86	90
Dom. Liners, pfd.	73	..
Eastern Theatres 7%, pfd.	68	71
Do., com.	8¾	..
Excelsior Life	31½	.
Farmers' Dairy	50	..
Fam. Play., 7% p. 50% com.	81	..
Gunns, Ltd., 6% pfd.	..	35
Great West Life	214	..
Durant Motors	8½	9½
Dominion Mfg., pfd.	58	..
Imperial Oil	108	112
Inter. Milling Co., pfd.	97½	..
K.&S. Tire 7% pfd. 25% c.	38	42
La Paz Oil	..	50
Lambton Golf Club	450	500
London Loan	46	51
Loew's Toronto, pfd.	..	62
Do., com.	..	38
Loew's London, pfd.	4½	5
Do., com.	1½	2½
Loew's Buffalo, pfd.	52	..
Do., com.	1.25	1.75
Massey-Harris Co.	48	52
Loew's Buffalo, pfd.	52	..
Manufacturers' Life 20%	55	..
Mercantile Trust	98	..
Mortgage Discount Units	..	12
National Brick, pfd.	48	51
Do., com.	..	12
National Life $25 paid	50¼	..
Northern Can. Power, com.	50	60
Ontario Equitable Life	..	30
People's Loan	60	..
Pantages, Hamilton 7% pfd.	33	..
Do., com.	2	3
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Simpson, Robert 6% pfd.	90½	91½
Sterling Coal, com.	38	40
Simpson, Robert 6% pfd.	89	91
Sterling Coal, com.	37	..
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick, Co. pfd.	75	..
Trusts & Guarantee	76	80
Tiger Tire Units (1 pfd. 2 com.)	..	25
Western Grocers, 7% pfd.	..	57
Whalen P. & P. Co., pfd.	17	19
Western Assurance	7½	..
King Ed. Const. pfd.	94	99
Brit. Amer. Assurance	6	7
Can. Assoc. Goldfields	8	12
Can. Kirkland Gold		12

WESTERN LUMBER

The Canadian Western Lumber Company, which includes the Columbia River Lumber Company, reports sales of lumber for the month of March amounting to 12,711,700 feet as compared with 11,195,356 feet in March 1922, and the price realized at $365,333, against $250,175 for last year. The aggregate sales of lumber for the first three months of the year at 29,354,759 feet compared with 23,585,388 for the corresponding three months last year, while the price realized at $813,887 compared with $538,075, an increase of $275,812.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
May 10.	Renfrew County	C. H. Burgess & Co., Toronto	6 %	20-ins.	$100,000	105.72	5.32
May 10.	Verdun, Que.	Wood, Gundy & Co., Toronto	5 %	20-yrs.	200,000	97.79	5.18
May 14.	Sherbrooke, Que.	Credit Canada, Ltd.	5 %	20-yrs.	100,000	96.94	5.25
May 7.	Waterloo, Ont.	National City Co., Toronto	5½%	10, 20-ins.	172,915	100.42	
May 1.	Kentville, N. S.	W. F. Mahon & Co., Halifax	5½%	30-yrs.	4,500	101,139	5.42
May 10.	Woodlawn Sch. Dis., Man.	Bond & Debenture Corp., Winnipeg	7 %	20-ins.	49,000	102.75	
May 10.	Pembroke, Ont.	Wood, Gundy & Co., Toronto	5½%	15, 30-yrs.	35,000	100.61	
May 10.	La Fleche, Sask.	Geo. Moorhouse & Co.	7 %	20-ins.	2,730	100.50	
May 15.	St. Laurent, Que.	Municipal Debenture Corp., Montreal	5½%	20-yrs.	75,000	100.39	5.47
May 15.	Ste. Madeline D'Outremont	Municipal Debenture Corp., Montreal	6 %	10-yrs.	60,000	103.09	5.59
		Corporation					
May 10.	Canadian Paperboard Co.	Can. Debenture Corp., Toronto	7 %		400,000	100.00	
May 14.	West Kootenay Power Co.	National City Co. & Hanson Bros.	6 %	20-yrs.	1,750,000		
May 10.	Pan-Orpheus Co.	W. C. Brent & Co., Toronto	7 %	18-yrs.	100,000	100.00	

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200 K. & S. Common
75 Durant Motors
25 Tor. Pantages Com.
50 Eastern Theatre Pref.
25 Loew's Windsor Pref.
100 English Electric, with 40% bonus
Will Sell
75 Loew's London Com.
25 Loew's London Pref.
100 Loew's Buffalo Com.
25 Loew's Buffalo Pref.
300 K. & S. Com.
3,000 K. & S. 7% Bonds.
50 Durant Motors
72 Ham. Theatres Com.
10,000 Can. Assoc. Goldfields
50 Imperial Steel Corp. at $5.75.
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Price: 97.75 and interest, yielding over 6.70%
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It means that the burden of household protection is lessened to the Policyholder by just the amount which would otherwise have gone to Remunerate Shareholders for the investment of their funds.

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HEAD OFFICE TORONTO

INSURANCE FOR BUYER AND SELLER

JUDGE DISMISSES ACCIDENT CLAIM IN SUICIDE CASE

Cashier Killed Following Disclosure of Shortage In Accounts

A judgment was delivered on May 2 by the Hon. Mr. Justice Tweedie, Trial Judge, in an action tried before him at Calgary, Alta., which has created more than the usual interest, the case being Florence Maude Morretti vs. the Dominion of Canada Guarantee and Accident Insurance Company. This was an action brought by the plaintiff as beneficiary, to recover the sum of $7,500 under an accident insurance policy issued by the defendent company to George Morretti, deceased, her husband, who came to his death as a result of having been hit by a train in the C. P. R. yards at Calgary, in July, 1921. The main ground on which the defendant denied the liability and on which the judge has found in its favor was that George Morretti came to his death through suicide. By the terms of the policy, the defendant excepted liability in case of death by suicide.

Several aspects of accident claims came out during the trial. The claimant under an accident policy must establish the fact that death occurred as the result of an accident within the meaning of the policy. Following precedent, it is presumed that the dead person did not die through suicide. The burden of proving suicide rests with the insurance company resisting such a claim and to accomplish proof two facts must be considered—a possible motive for suicide and the actions of the person immediately preceding death.

In the case cited, the deceased was in the employ of the Insurance and General Agencies, Limited, a corporation having its head office in the city of Winnipeg, and a branch office at Calgary. His duties were those of accountant and cashier. As such he had complete charge of the books, and was responsible for receipts and disbursements of all funds, looking after the banking business with power to endorse all cheques for deposit. He also frequently went about the city making collections. In the course of his employment he evolved a scheme which he operated to defraud his employers for more than a year prior to his death, which occurred at a time when an official of the company was in Calgary inspecting the office.

Being satisfied that the insured came to his death as the result of his own act, the judge decided that the plaintiff, being the beneficiary under the policy, was not entitled to recover. Accident policies, as a rule, have a clause inserted stating that they do not cover death from suicide, while life policies cover death in this manner except during a period, usually of one year, immediately following the placing of the policy.

EMPLOYERS USING GROUP INSURANCE

Favorable Results Are Reported in Increasing Efficiency in Production

Now that the problem of getting and keeping satisfactory and satisfied employees is daily growing more difficult to solve, employers' thoughts are turning again to various plans for drawing their workers closer to them.

"Group insurance," says A. Guyot Cameron in a very interesting article on this subject in Forbes Magazine, "offers an extraordinary medium for affecting favorable results in productive efficiency, waste-elimination, lessened costs and the cementing of relations between employer and employee, with added human happiness in relief from anxiety. By law, fifty employees are enough to constitute a group. Insurance is issued in equal amount to all employees, or in amount equal to one year's salary or in amount based upon length of service. Minimum insurance is $500. Maximum may rise to $5,000, in proportion to the character of the group and the total insurance of the group. Beneficiaries are at the option of the employee. Disability, speaking generally, before the age of 60, can make the employee his own beneficiary.

"Upwards of 10,000 employers have adopted this plan. Its benefits cover approximately 2,000,000 workers, men and women. It represents insurance to a total of approximately $2,000,000,000. And the momentum it is gathering under broader economic conceptions means farflung acceptance of its value by employer and employee.

"Group insurance finds its power in two-fold relation. It is sociologically sound; and it is remarkably human."

Cheque Tax Change and Insurance Companies

The reduction in the maximum tax on cheques from $2 to $1 will have little effect on the business of life insurance companies, according to a number of life insurance officials. They point out that the majority of the claims paid are small ones under the amount affected, while the cheques issued in payment for bonds are not numerous.

On the other hand, a material saving to some fire insurance companies will follow as they have many claims between $2,500 and $5,000. One manager estimates that the tax paid by his company in this manner will be reduced by seven or eight hundred dollars.

Non-Forfeiture Clause Extended to Old Numbers

The Mutual Life Assurance Company of Canada has recently offered the benefits of the non-forfeiture privilege to policyholders who became members of the company prior to the year 1897. In that year the non-forfeiture privilege came into operation, but it was made applicable to new policyholders only. Recently the company has felt that so important a benefit was due those policyholders who entered before the introduction of the new feature. This additional service is greatly appreciated and many of the older members are making application for the incorporation of the non-forfeiture privilege into their contracts.

The non-forfeiture clause in life insurance policies is one of the best aids to reducing the heavy lapses, which have been causing the companies some concern. The incomes of many men fluctuate widely over a period of years, and there are periods when many are unable to meet their insurance premiums. This is often a time when it is most essential to maintain the protection intact. Through the non-forfeiture provision the policy continues in force until the accumulated reserve is all absorbed in covering the premium payments.

PROVISIONS FOUND IN MOST POLICIES

P. G. Leaney Gives Most Comman Clauses Which Insured Should Know

Some provisions which apply to most life insurance policies and are of interest to all policyholders, were touched on by P. G. Leaney, of the Monarch Life, in an address before a congress of underwriters at Winnipeg recently. Many who purchase life insurance fail to read their policies carefully and serious misunderstandings follow. Speaking of general provisions he said:

"The contracts of some companies are incontestable after one year, some after two years, except in case of fraud. Mis-statement of age does not void the contract—if overstated, the overpaid premiums are returned, if understated, the claim is paid according to the amount the premium would have purchased. Proof of age must of course be furnished.

"As a rule a grace period of thirty-one days is allowed for payment of premiums other than the first.

"Now we come to the concessions to the Insured after three years' premiums have been paid. Loan and Cash Values. These we do not wish to talk about as we do not desire to create a lapse before we have sold the contract. The Loan Value should only be used in times of real need and to pay the premium.

"Should the policy lapse after 3 years there is a clause that if neither of the before mentioned options are selected within 3 months the policy becomes either Automatically Paid-Up or the Cash Reserve is used to pay the premiums as they come due until this fund is exhausted.

"Reinstatement of a lapsed policy can be made subject to satisfactory evidence of good health with overdue premiums and interest thereon. Although sometimes one or two years is the time stated in the contract, the Companies are always pleased to reinstate a contract if insurability is satisfactory.

"Assignment of the policy must be made in duplicate and endorsed on the Contract and recorded by the Head Office. The Company cannot assume responsibility for the validity."

James A. Conners, of the Sewall timber cruising organization of Old Town, is in Nova Scotia on a short trip.

MANY COMPLICATIONS IN AUTO INSURANCE

Public Liability most Important Class; Claims Under it Often Exceed Value of Car

In placing automobile insurance, owners give too little attention to public liability, property damage and collision coverages. In an accident in Toronto recently, two cars collided, the driver of each maintaining that the other was at fault. Legal action resulted in which both parties were awarded damages. Dr. George Foster, who sued Harry G. Stubbs for $5,750 damages, was awarded $1,500. Stubbs, who laid a counter-claim for $250 damages, was awarded $50.

One of the cars was formerly insured. An accident occurred which was apparently not covered by the policy in question. The owner, being unable to collect on the claim, concluded that the protection afforded was of no use and discontinued the insurance. The other car was not insured.

It is clearly in the interests of insurance companies selling automobile policies to expose any company entering the field with policies which may be sold at lower rates but which have so many restrictions that they have little value to the insured. On the other hand, those purchasing automobile insurance should read their policies carefully as it is usually true that "you get what you pay for."

There are five distinct classes of automobile insurance. Public liability insurance covers the losses incurred through injury to the public, not including passengers in the insured automobile. Property damage covers claims incurred from damages done to the property of the public. Collision insurance covers damages to the insured car in a collision, while the other two classes of insurance, fire and theft, cover losses through those sources whether standing idle in a garage or elsewhere or running.

It should be noted that the amount of claims which may arise under the public liability and property damage clauses may greatly exceed the value of the car, whereas claims under the other three classes cannot exceed the value of the car and is usually set at an amount somewhat less than the actual value. The public liability clause does not cover injuries to passengers, except in the case of taxis, when an extra premium is charged. The insurance companies report no demand for protection against passengers in privately driven cars but state that this could be secured by the payment of an extra premium.

Waterloo Financial Men Buy Merchants Casualty

A group of Waterloo business men have purchased control of the Merchants Casualty Company of Winnipeg. This company was organized in Winnipeg about ten years ago and has recently been under the control of the Zenith company. Following the failure of the Union Fire and Casualty Company, one of the group controlled by the Zenith company, a reorganization of the parent company took place.

It is understood that E. F. Seagram will become president of the Merchants Casualty, and S. C. Tweed vice-president. The former is vice-president of the Dominion Life Insurance Company and the latter president of the Ontario Equitable Life. The head office of the company will be moved to Waterloo.

Insurance Company Experiments to Diagnose Heart Affections

It is probably in the field of personal hygiene that the great failure of insurance service lies, and the possibility of adding ten years to the average duration of human life makes it well worth while. The present expectation of life at birth is between 54 and 55 years; with the proper use of our medical and sanitary knowledge this can be extended to 65. The opportunities of the companies for establishing on this continent the best conditions of mortality in the world are greater than ever, and with the rising mortality for "degenerative diseases," together with the yearly outbreak of influenza and pneumonia, latterly, and the increased accident death rate of automobiles (5 to 7% in 1922,) some of the ablest life insurance executives are feeling their obvious responsibility and strategic position. Heart disease is probably the most difficult of "degenerative diseases" to diagnose. The mortality from this disease in America last year was 7% higher than in 1921, while the death rate from Bright's disease increased by 3%—chiefly during the first half of 1922. In numerous cases the most competent physicians have suspected heart trouble but could not establish it in diagnosis, and in many other cases where it was not suspected but other impairments were plainly indicated, the patient died suddenly from heart disease, as was afterwards determined.

The Medical Department of the New England Mutual Life, having had an interesting experience with cardio-vascular cases — abnormalities of blood circulation growing out of heart affectations—sought to develop a method last year by which examiners might determine whether applicants with abnormal heart signs were seriously diseased. Out of 18,897 rejections, a little more than half were due to heart affections, yet out of a total of 32,870 deaths, 10,690 were traced to cardio-vascular disease—showing that despite the most careful examination many cases had escaped detection, with the probability also that among the rejected persons were a considerable number not seriously impaired that might have been accepted. Finally, Dr. H. M. Frost, one of the company's examiners, experimented with a simple apparatus which may possibly work a revolution in certain cases, and enable thousands to secure insurance who have hitherto been excluded. The party to be examined must perform various acts, such as holding a full breath, then expelling it as far as he can, blowing and inhaling against a gauge, also to capacity, through the spirometer. In the course of these various steps the systolic blood pressure developed a surprising degree of fluctuation. In order to establish a normal standard for working purposes 100 persons diagnosed as normal were subjected to the test, and about 30 individuals with abnormal heart signs were also subjected to it; the results suggested that it gave some indication of the condition of the heart and blood vessels. While requiring skill and experience on the part of the examiner, the test is easily applied, causing no apprehension to the applicant or the insurance agent.

Acting upon the tentative results of his investigations, the New England Mutual's Medical Director has been for some months recommending acceptance in some form of applications from those who successfully meet this test. Of course the ultimate policy of the company will depend upon the results of their continued investigations. The immediate value to agents of these experimental acceptances is obvious; it is, to say the least, blazing the trail for performing much needed services.

INCREASES IN RAIN INSURANCE REPORTED

Gross Premiums in United States and Canada During 1922 Total $2,000,000

A rapid development of rain insurance has taken place since its introduction three years ago, the total premiums received by the companies writing it in Canada and the United States during 1922 amounting to over $2,000,000.

Much business has been secured by the two companies writing these risks in Canada in covering ball games. An instance is the Toronto Ball Club in the International League, which makes a policy of insuring itself against rain when important games are scheduled. On May 12th a game was stopped on account of rain and the club collected an indemnity of $2,500 from a local insurance company. On the same day an amateur club had a claim for $200.

Any form of meeting where an admission is charged may be insured, such as games of different sorts, race meets, garden parties, etc. The directors of many fall fairs secure rain insurance in the belief that they will ordinarily have a claim every few years and the insurance tends to stabilize the receipts by reducing the proceeds of each of the good years slightly and maintaining them at a fair level in a bad year.

Among those who had claims paid by one company during the past two years were labor, canoe, recreation and baseball clubs. On account of the frequency of claims the premiums are necessarily high. There are, in general, two classes of coverage—one which agrees to make the receipts up to a stated amount if they fall short of this on account of rain, and the other in coses where the event may be postponed on account of rain and the company pays a definite sum. In the case of the former the rainfall must be officially reported as over one-tenth of an inch on the day in question, whereas in the latter no limit is set, but the premium charged is considerably higher.

Demand for Insurance Film Continues Strong

The fame of the Canadian film "What Might Happen" is spreading throughout Canada and the United States and requests are being received from time to time, not only by Canadian Underwriters' Associations, but by local associations in the United States.

The film was produced some time ago by the committee in charge of the life insurance publicity campaign. There are three copies which are loaned to the local associations for presentation in their local theatres. It pictures an insurance man canvassing a prospect and the latter, in a time of leisure, is so haunted by the agent's words that he decides to insure his life.

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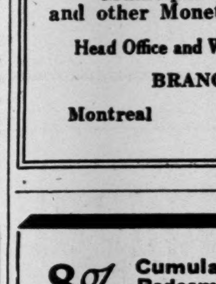

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MARITIMES TOO ARE DEMANDING LOWER FREIGHTS

Senate Hears Case for a Reduction of Rates

BACK TO CONFEDERATION

Claim for Consideration is a Long-Standing One—Western Market Promised for Southern One Lost

Despite the fact that millions are being added to the public debt each year to provide for the deficits on the national railways and the government merchant marine, there are agitations both East and West for freight rate reductions. British Columbia is making a strong demand for rates on the same basis as that of the prairies in a desire to increase the Westward movement of grain. The Maritimes are not to be outdone, and alleging that "the rates now effective on consignments from the maritimes are proportionately higher than those in regard to consignments from the western provinces," ask a substantial reduction. Following is the case for the Maritimes by Hon. J. A. McDonald in presenting his resolution to the Senate.

The Maritime Provinces, in entering Confederation, did so with a purpose as honourable and as conscientious as can inspire any solemn pact. We considered that Confederation would increase the prestige, nationally and commercially, of the Dominion of Canada, and form within the Empire the basis of a nation. What prompted the Maritime Provinces to enter Confederation no doubt prompted the other provinces as well, all living in the hope that the ideals and aspirations of Confederation would be fulfilled.

In the British North America Act it is distinctly stated that a railroad would be built from Halifax to some point on the St. Lawrence River, and it was intended that the railroad should be connected with a large centre and terminus at Montreal. This point is borne out by the utterances of the big men of that day, and particularly by the actual accomplishment of extending the old Intercolonial to Montreal city. Both the spirit and the letter of Confederation in that regard were amply fulfilled in the building of the Intercolonial Railway and the acquisition of another road connection with Montreal, which right we enjoyed for years; but to-day we find ourselves retrograding, and, instead of our Atlantic region terminating in the city of Montreal, it is ended in the woods of Rivière de Loup.

We have suffered tremendously from having our ports at Halifax and St. John robbed of the exporting of our Western grain. We have borne these iniquities with patience and fortitude, but we do not wish to be treated as vassal states. We have not complained at the tremendous expenditures for canals in Upper Canada; we have not complained at cheaper freight rates for western products over the government roads as enjoyed by the western farmer. We are not complaining to-day. We are demanding our right that on the question of railway freight rates, commercial privileges, and expenditures, the Maritime Provinces be justly dealt with.

Benefits to West

The products of the western farmer are given consideration in railroad freight rates. I want special rates for our lumber, our minerals and our fish. Last year about $80,000,000 of Canadian money was sent to the United States for American coal. The Maritimes are fairly teeming with the best grade of coal. Why not cheaper freight rates on coal? The same applies to fish and lumber. Make the freight rates attractive enough so that the $80,000,000 spent for American coal will be spent in the Dominion of Canada.

Supposing, for instance, that $80,000,000 worth of wheat was purchased in the United States last year, the freight rates on wheat would be so reduced so as to completely wipe out foreign competition. I think that would be done, and as a true Canadian I would concur in keeping our dollars in Canada. We are willing to pay our share, and we are willing to unite with all to advance the whole of the Dominion of Canada; but we want justice. There must be a remedy such as I suggested, and it is in the hands of the government, and we are going to demand it in the strongest terms and most forcible manner, and I believe our appeal will be heard by every patriotic legislator.

I find that the average man is willing to give the Maritime Provinces fair play, but does not appear to understand what our claims are. I take this opportunity of explaining the situation as I see it. I wish honourable gentlemen to bear with me in my endeavour to sound a warning that some effort must be put forth to maintain in some degree a standard of justice and equality in the commercial relations of one province with another.

Says Situation Critical

The situation in the East is critical. I can understand the anxiety of the government, and it is perfectly legitimate to try to make these 22,000 miles of railroad pay, but that was not the understanding when we entered into the pact. Manufacturers built their factories and investors invested their money in industry, counting on the promises made that we would have the market west when we lost our market south. We are told that it is a question how we must raise money for these enormous deficits. In any business that I am associated with we try to overcome our overhead either by increasing our products or by reducing expenses.

Upon representations from the people of Saskatchewan and Alberta, the government has reduced the rates on staple articles produced in these provinces, notwithstanding the fact that such matters ordinarily fall under the jurisdiction of the Board of Railway Commissioners. If the government was right in so helping the prairie people and enabling them to obtain a higher price for their products, then it is doubly under obligation to aid the Maritime Provinces, because of their equal or greater need, and because the Maritime Provinces came into Confederation, as I said before, with the full assurance of favorable conditions as to freight rates over the Intercolonial Railway, then being built to establish railway communication and transportation facilities with the other provinces. There is a serious and alarming depopulation now in progress in the Maritime Provinces, due to the stagnation of industry and consequent unemployment. Surely it is the duty of the government to relieve conditions in the Maritime Provinces.

The cry that has come up from Eastern Canada is for fair play. I hope that this Chamber will see its way clear to call on the government, not to appoint any commission, not to send any delegates, or to waste two or three years in dickering with the problem; but, if my statements can be verified—and I will be pleased to furnish all data necessary—that the arbitrary or differentials be restored to what they were in 1916; that the government of Canada be called upon to carry out the promises and pledges given and the bargain made, when New Brunswick, Nova Scotia, and Prince Edward Island entered Confederation and became a part of the Dominion of Canada, and that rates be arranged so that we can reach the market west promised us in exchange for the southern market we had at the time we entered the Dominion.

Building for First Four Months of 1923 Shows Material Advance

Montreal Provides Leadership While Gains in Other Cities Are About Equal to Losses of Others—Western Situation Quiet

Building permits issued in the Dominion in the first four months of 1923 show an increase of over six million dollars compared with the same period of 1922. There has been a material advance in building projects in some sections of the East, notably in Montreal, where the advance falls just short of six millions, or practically the whole of the Dominion's advance. Fourteen of thirty-one Eastern cities show increases while the balance show various declines. Seven of sixteen Western cities show advances but the decline of the others was some $843,000 greater than the gains.

The figures for the four-month period about represent the trend of building in April. In fact the gains and losses are in proportion in all respects. The total for the month was $3,500,000 ahead of April, 1922, with the bulk of the credit for the advance going to Montreal.

The figures:

EASTERN CITIES

	April 1923	April 1922	Change	4 Months 1923	4 Months 1922	Change
Maritimes—						
Halifax	$ 35,040	$ 105,563—	$ 70,523	$ 85,745	$ 228,748—	$ 143,003
Moncton	46,350	134,343—	87,993	47,945	192,908—	144,963
St. John	68,000	134,200—	66,200	93,300	204,700—	111,400
Sydney	15,628	32,001—	16,373	30,243	61,066—	30,823
Quebec—						
Lachine	20,675	34,345—	13,670	273,555	94,655+	178,900
Montreal	6,913,572	2,038,834+	4,874,738	9,713,682	3,752,107+	5,961,575
Quebec	416,795	339,776+	77,019	681,970	655,793+	26,177
Sherbrooke	95,000	34,000+	61,000	136,300	179,000—	42,700
Westmount	230,400	138,165+	92,235	270,935	224,265+	46,670
Ontario—						
Brantford	92,415	57,145+	35,270	113,125	86,720+	26,405
Chatham	41,770	61,675—	19,905	52,320	80,710—	28,390
Ft. William	37,900	50,525—	12,625	817,850	68,375+	749,475
Galt	15,746	19,066—	3,320	25,196	67,113—	41,917
Guelph	91,196	60,505+	30,691	159,922	117,600+	42,322
Hamilton	611,825	731,300—	119,475	1,655,340	1,270,530+	384,810
Kingston	413,481	67,437+	346,044	430,291	84,689+	345,602
Kitchener	270,658	280,220—	9,562	441,847	686,025—	244,178
London	371,800	368,775+	3,025	817,960	609,320+	208,640
Ottawa	638,950	905,810—	266,860	796,600	1,146,615—	350,015
Peterborough	61,276	98,802—	37,526	74,136	120,612—	46,476
Pt. Arthur	629,355	12,260+	617,095	786,011	850,036—	64,025
Sarnia	111,056	134,727—	23,671	250,371	262,829—	12,458
St. S. Marie	27,965	119,610—	91,645	42,400	164,232—	121,832
St. Catharines	145,417	119,334+	26,083	180,127	182,056—	1,929
St. Thomas	22,081	30,790—	8,709	33,981	72,424—	38,443
Stratford	53,307	304,865—	251,558	95,612	339,753—	244,141
Toronto	3,230,590	3,555,790—	325,200	9,935,762	9,306,754+	629,008
Welland	77,325	15,720+	61,605	84,210	42,270+	41,940
Windsor	398,480	444,495—	46,015	1,525,645	1,616,980—	91,335
Woodstock	15,970	27,486—	11,516	125,520	45,714+	79,806
York Twp.	1,238,400	1,521,150—	282,750	3,318,950	3,260,350+	58,600
Tl. 31 E. cities	$16,438,423	$11,978,714+	$4,459,709	$33,096,851	$26,074,949+	$7,021,902

WESTERN CITIES

	April 1923	April 1922	Change	4 Months 1923	4 Months 1922	Change
Alberta—						
Calgary	120,000	205,200—	85,200	304,200	475,500—	171,300
Edmonton	152,200	196,150—	43,950	216,395	321,000—	104,605
Lethbridge	29,775	28,580+	1,195	78,840	52,440+	26,400
Medicine Hat	5,060	2,145+	2,915	7,165	6,530+	635
Manitoba—						
Brandon	4,850	17,680—	12,830	15,439	23,515—	8,076
St. Boniface	35,075	61,234—	26,159	68,550	98,249—	29,699
Winnipeg	448,850	1,301,250—	852,400	694,500	1,692,050—	997,550
Saskatchewan—						
Prince Albert	5,625	25,875—	20,250	35,775	49,730—	13,955
Regina	235,355	195,855+	39,500	298,265	268,470+	29,795
Weyburn	1,475	3,460—	1,985	1,475	5,010—	3,535
Yorkton	1,850	8,125—	6,275	9,800	10,150—	350
British Columbia—						
Kamloops	26,215	14,390+	11,825	48,235	27,120+	21,115
Nanaimo	23,995	11,320+	12,675	48,060	30,861+	17,199
N. Westmin'r	35,580	21,725+	13,855	71,205	78,550—	7,345
Vancouver	334,306	364,475—	30,169	1,584,216	1,267,261+	316,955
Victoria	149,002	85,745+	63,257	349,054	268,007+	81,047
Ttl. 16 W. cities	$1,609,213	$ 2,543,209—	$ 933,996	$ 3,831,173	$ 4,674,443—	$ 843,270
Gr. tl. 47 cities	$18,047,636	$14,521,923+	$3,525,713	$36,928,024	$30,749,392+	$6,178,632

STRIKE AGAINST BUILDING COSTS

Fifty Million Dollars of Work Halted in the City of New York

A strike against high building costs and labor is on in New York City. Building construction suspensions announced total $21,000,000 while the addition of those not announced and accruing since will bring the total to an aggregate of $50,000,000, or one-seventh of New York's total building program of the year. Builders deny that the building boom has cracked, they are merely holding contracts, not cancelling them. Labor, it was said, might modify its demands if building materials, men and contractors responded in kind. Recent heavy demands averaging around $2 a day increase, made by most of the skilled workers of the building trade, forced the builders to take the above steps.

Life Underwriters at Montreal on August 28

The 1923 convention of the Life Underwriters' Association of Canada will be held in Montreal the last three days of August. A number of important subjects will be discussed including Business Insurance in (a) rural and (b) urban districts. Program Insurance—Making Policies Fit—; How to get Prospects for Domestic and Business Insurance in (a) rural and (b) urban districts; How to Handle a Prospect list; How an Agent can increase his income; (a) What the agent himself can do and (b) What the Agency can do to help him; Life Insurance and Estates; The Service rendered to humanity by the life insurance agent, etc., etc.

The program will include a section on Industrial Insurance and also a French section, the latter being held simultaneously with a regular session. Sales demonstrations will be interspersed throughout the program.

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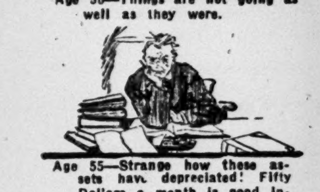
Age 50—Things are not going as well as they were.



Age 55—Strange how these assets have depreciated! Fifty Dollars a month is good interest on $10,000, and not to be despised.

Age 60—He Finds Fifty Dollars a month pension, added to what is left, brings happiness.

You know of men well up in years who are still "drudging along." They cannot stop if they would, but must go on to the end of their days working for a living. You can avoid that

Why Not Pension Yourself?

Why not "take stock" of your present financial position—to size up your personal affairs and decide on a plan for the future?

Our New Pension Plan

guarantees that upon reaching a certain age in life you will receive a MONTHLY cheque for $50.00. $100, $200, $250—as you may now decide—and this monthly payment cannot cease as long as you live.

An Income for Life

Think what it may mean to you to be certain of an income right up to the end of life, when you consider that 97% of people in their later years are partially or wholy dependent upon others for support.

When they were younger they did not have the chance now offered you. It was not than possible to secure such a convenient and certain provision as this Monthly Pension Plan.

Why not Look Into This?

An average deposit of only a few dollars a month will return you $50.00 a month later on, when a regular income will be welcome—no matter what your circumstances may be.

Independence in later life may depend on your action now.

Do not Pass This By.

Canada Life

Home Office
TORONTO
Canada

Canada Life Assurance Company, Toronto!
Dear Sirs—Without obligation on my part, you may send me particulars of your Pension Plan.
Name ....
Address ....
Born ....day of..........
12

Return of the Chartered Banks of the Dominion of Canada, March 31, 1923

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913.

LIABILITIES

NAME OF BANK	Capital authorized	Capital Stock: Capital Subscribed	Capital Stock: Capital paid up	Amount of Reserve Fund	Last Dividend declared	Notes in circulation	Due to Dominion Government	Due to Provincial Government	Demand Deposits in Canada	Notice Deposits in Canada	Deposits Elsewhere
	$	$	$	$	%	$	$	$	$	$	$
*Montreal	31,175,000	27,250,000	27,250,000	27,250,000	12	40,764,051	15,822,241	4,499,316	114,898,590	297,218,450	82,133,002
Nova Scotia	15,000,000	10,000,000	10,000,000	19,500,000	16	15,389,612	585,667	1,752,184	25,759,831	107,652,266	30,542,851
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	6,726,968	166,302	1,300,342	23,668,475	46,005,937	...
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,783,806	127,381	1,067,754	11,543,872	40,271,797	...
Nationale	5,000,000	3,000,000	2,966,400	400,000	6	4,748,185	1,815,277	633,956	4,915,766	25,582,093	6,484,474
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	2,899,834	60,799	230,663	3,806,288	22,338,033	...
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	8,475,004	267,531	4,258,430	28,296,317	63,712,142	2,979,298
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	22,827,553	1,446,096	4,414,932	100,110,952	155,287,659	39,916,209
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	28,868,713	9,093,020	1,396,048	78,434,008	180,655,215	135,787,033
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	7,516,922	327,954	1,026,988	23,944,059	66,029,423	1,967,746
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	5,200,797	1,054,982	714,912	13,686,188	40,038,727	...
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	5,273,065	107,022	901,533	14,287,828	43,443,153	...
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	5,909,219	232,819	112,984	10,034,904	43,235,148	...
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	10,491,713	456,923	5,784,269	25,897,259	61,945,753	...
Home	5,000,000	2,000,000	1,960,413	550,000	7	1,833,150	249,218	1,251,996	6,658,832	12,071,041	...
Sterling	3,000,000	1,266,600	1,233,900	500,000	8	1,204,763	3,047,785	1,152,977	3,070,968	11,379,393	...
Weyburn Security	1,000,000	655,700	524,560	225,000	7	345,007	50,340	12,926	962,938	1,429,491	...
Total	187,175,000	125,572,300	125,335,273	130,675,000	...	173,258,362	34,911,357	30,512,210	489,977,075	1,218,295,721	299,809,857

NAME OF BANK	Loans from banks in Canada	Balances Due to Banks in Canada	Due to Banks in the U. K.	Due to Banks Elsewhere	Bills Payable	Acceptances under letters of Credit	Other Liabilities	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest amount notes in circulation
	$	$	$	$	$	$	$	$	$	$	$	$
*Montreal	...	3,662,255	133,943	547,873	34,946	3,555,411	1,115,677	564,385,760	392,085	28,463,579	58,594,054	40,764,051
Nova Scotia	...	2,225,840	19,710	902,308	328,361	317,244	398,329	185,873,542	926,018	10,489,688	13,994,295	15,389,612
Toronto	...	541,744	304,646	921,968	...	435,636	3,683	80,075,704	526,568	976,189	5,674,382	6,726,968
Molsons	...	388,943	14,258	195,603	...	392,917	417,860	59,204,195	113,812	597,197	2,992,576	4,783,806
Nationale	...	1,042	8,307	140,768	200,000	...	125,350	44,655,223	373,096	446,600	1,004,700	4,748,185
Provinciale	...	5,244	...	1,162	...	...	164,050	29,506,075	...	176,654	210,984	2,991,194
Union	...	425,218	4,518,297	1,944,728	13,291	2,852,736	29,800	117,772,706	932,792	1,156,468	10,092,511	8,475,004
Commerce	...	346,589	647,043	13,013,342	1,035,519	5,561,928	19,993	344,627,820	1,276,581	14,608,000	26,470,000	22,827,554
Royal	...	846,461	101,718	14,301,407	7,108,011	3,572,305	45,351	460,209,295	554,326	10,502,011	20,190,469	28,868,713
Dominion	...	1,040,692	55,332	1,587,867	202,526	1,509,390	483,518	105,692,432	88,357	2,050,000	5,906,000	7,516,922
Hamilton	...	127,844	35,145	409,638	...	273,327	...	61,541,563	905,099	889,189	1,910,809	5,200,797
Standard	...	2,765,071	759,224	953,284	76,998	302,247	174	68,869,605	75,000	1,734,284	3,794,677	5,273,065
d'Hochelaga	...	5,323	35,069	348,185	...	150,353	3,817	60,067,824	96,327	539,419	4,230,579	5,909,219
Imperial	...	322,077	19,969	465,544	...	148,643	...	105,532,152	96,857	1,893,865	8,751,050	10,491,713
Home	...	10,716	171,921	754,366	...	...	...	23,001,243	207,922	246,225	1,128,871	1,833,800
Sterling	...	236,631	...	596,181	...	10,360	2,618	20,701,678	168,734	67,439	772,145	1,223,565
Weyburn Security	...	...	...	13,651	...	...	35,424	2,849,781	105,801	16,687	92,652	345,007
Total		12,951,690	6,824,582	37,097,875	8,999,652	19,082,497	2,845,644	2,334,566,589	6,839,375	74,853,494	165,810,754	173,369,17

*Bonds of the Merchants Realty Corporation to the extent of $2,835,000 secured on premises leased to the Bank, are in the hands of the public. These Bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Bank of Montreal returns,

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other Banks	Cheques on other banks	Balance due from banks in Canada	Due from banks in United Kingdom	Due from Banks elsewhere	Government Securities	Canadian municipal, British and foreign securities	Railway and other bonds and stocks
	$	$		$	$	$	$	$		$	$	$
Montreal	29,883,563	63,539,576	1,620,000	15,000,000	4,115,441	19,733,781	...	3,153,901	10,741,052	42,982,612	34,552,304	2,806,034
Nova Scotia	10,470,790	12,471,936	477,948	5,500,000	2,660,042	9,218,991	...	148,974	1,631,876	28,602,448	9,511,599	7,150,946
Toronto	964,685	5,715,534	270,354	1,750,000	639,320	3,342,428	...	...	768,129	16,217,236	3,205,640	846,365
Molsons	572,141	2,960,519	193,000	1,000,000	606,142	2,926,984	9,709	665,620	1,075,825	6,128,438	1,271,880	1,810,439
Nationale	449,506	1,028,270	108,500	1,800,000	538,110	1,558,150	1,170	...	766,655	16,244	5,980,208	857,447
Provinciale	168,116	191,112	150,950	...	499,656	1,598,453	2,246,660	8,558	181,778	2,673,118	3,539,419	1,350,954
Union	1,160,056	10,281,442	395,000	700,000	772,124	3,735,758	84,007	459,818	2,205,088	19,376,709	8,032,938	2,775,269
Commerce	8,901,095	22,816,562	750,000	9,000,000	3,490,917	16,408,190	4,307	483,634	10,441,844	33,474,877	11,946,115	6,539,914
Royal	10,614,444	23,500,019	1,020,000	10,000,000	25,426,724	19,546,052	...	2,384,579	24,210,530	24,887,577	14,543,102	13,374,987
Dominion	2,057,156	5,460,686	306,750	1,700,000	971,238	4,466,191	1,060	105,838	1,260,111	13,550,733	3,861,685	1,841,014
Hamilton	918,946	2,723,655	250,000	500,000	566,505	2,322,109	406,249	46,145	554,331	3,158,790	2,820,661	412,587
Standard	1,745,641	3,801,906	200,000	1,300,000	467,168	3,655,702	100,000	73,446	434,748	8,574,953	2,735,113	944,754
d'Hochelaga	547,035	4,741,876	200,000	2,000,000	1,091,325	2,566,643	1,568,512	21,233	527,216	2,588,504	4,302,512	928,560
Imperial	1,877,232	8,372,746	326,407	5,002,533	1,124,231	5,553,672	425,707	414,969	1,544,336	13,839,373	5,015,496	407,090
Home	237,135	1,363,079	100,000	...	412,902	1,545,816	101,080	27,354	727,686	339,240	294,946	2,309,215
Sterling	66,401	985,345	66,000	...	123,092	580,000	5,000	26,379	129,165	11,283,807	1,331,721	304,575
Weyburn Securit	16,505	93,617	23,547	...	20,040	14,338	409,351	...	43,652	112,562	13,314	...
Total	70,650,447	170,047,880	6,458,456	55,252,533	43,524,977	98,773,258	5,362,812	8,020,448	57,244,022	227,807,221	112,958,653	44,660,150

NAME OF BANK	Call loans in Canada	Call loans elsewhere	Other Current Loans in Canada	Other current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$		$	$	$	$	$	$	$	$	$	$	$
Montreal	6,176,087	109,154,618	219,902,398	14,241,347	6,159,873	22,407,653	1,083,008	587,021	752,348	10,500,000	3,555,411	*1,406,649	624,054,686
Nova Scotia	7,400,372	14,990,189	80,176,916	13,893,303	...	3,549,073	277,431	91,689	154,863	7,105,300	317,244	171,224	215,973,164
Toronto	6,418,045	...	46,081,880	...	...	2,535,868	397,549	...	...	3,474,927	435,636	...	93,063,601
Molsons	4,108,717	...	39,809,193	...	...	1,541,389	475,151	48,930	25,097	3,128,112	392,917	336,505	69,086,718
Nationale	400,648	...	29,531,932	...	...	289,630	1,146,880	955,290	332,593	2,562,010	...	109,241	48,432,493
Provinciale	4,444,649	...	14,072,023	...	...	1,415,096	215,159	5,500	10,795	1,235,222	...	165,558	34,172,783
Union	4,413,868	1,196,728	59,868,464	4,685,090	3,092,841	3,201,866	254,398	211,803	373,543	2,398,772	2,852,736	25,680	132,554,008
Commerce	15,131,789	19,546,682	164,132,813	23,239,096	3,369,087	12,311,461	640,434	813,281	182,084	7,409,543	5,561,928	43,518	376,639,117
Royal	14,130,449	45,453,169	144,435,955	102,716,660	1,157,384	8,166,455	465,916	1,540,666	133,139	12,046,307	3,572,305	99,430	503,425,858
Dominion	5,267,101	6,346,723	60,432,497	2,648,664	...	1,111,809	256,171	35,804	21,547	6,158,381	1,509,390	344,262	119,714,820
Hamilton	8,279,687	450,000	39,004,488	...	41,352	4,271,909	301,209	687,980	136,196	3,324,713	273,327	319,886	71,770,733
Standard	4,250,377	...	45,531,786	...	...	1,553,157	372,601	281,540	51,100	1,893,016	302,247	49,990	78,319,251
d'Hochelaga	4,634,909	1,000,000	35,014,507	...	...	1,736,320	646,436	304,750	477,002	3,631,635	150,353	95,699	68,775,036
Imperial	3,157,135	4,700,000	55,709,808	...	309,840	6,172,418	529,864	445,712	358,599	5,621,604	148,643	617,552	121,674,977
Home	1,196,380	...	15,601,763	23,193	...	73,130	184,771	87,351	101,114	713,151	...	61,107	25,500,421
Sterling	57,139	...	6,892,601	...	...	92,372	20,562	12,537	7,620	591,293	10,360	105,643	22,691,619
Weyburn Securit	...	25,000	2,037,458	80,000	...	49,546	188,999	110,281	25,832	208,341	...	64,693	3,537,082
Total	89,467,352	202,863,109	1,058,236,482	161,527,353	14,130,377	70,479,152	7,456,599	6,220,072	3,143,472	72,002,327	19,082,497	4,016,636	2,609,386,36

Column No. 4. Of this deposit $9,502,533 is in gold coin, the balance is in Dominion notes.

*This amount includes $885,000 bonds of the Merchant's Realty Corporation held by the Bank that were not issued to the public.—Footnote to Bank of Montreal return.

FINANCE DEPARTMENT, OTTAWA, April 23rd, 1923.

SUGAR REFINERS PROFIT ONE-FIFTH CENT PER POUND

Do Not Want High Prices Any More Than the Public

RAW PRICE BLAMED

Refiners Have Been Absorbing Costs Rather Than Increasing Consumer Charge

They are after the Canadian sugar men again. It may be good politics but it is certainly poor encouragement to Canadian business.

The sugar men were badly squeezed in the slump of prices a few years ago. They were prevented, their hands were tied by the government, from protecting themselves. Their losses were around $19,000,000. Many fortunes went by the boards.

The refiners have now been called to Ottawa to explain the cause of the present high price. They have kind of taken the wind out of the sails of the critics, however, by declaring that they do not want and are not in sympathy with high prices. They declare that the advance in the price of sugar is due to the advance in the price of raws and that takes place before the sugar gets into their hands. They are forced to pay the high price and so perforce they must exact a high price from their purchasers and this is ultimately sent onto the consumer.

H. R. Drummond, of the Canadian Sugar Refinery, declares that the refineries do not want high prices any more than does the public.

Depends on Raws

"The price of sugar in this and other countries depends solely on the cost of raw material," he said. The refiner occupies somewhat the same position toward the grower as the miller does toward the grower of wheat. The refiner had to buy his raw sugar, freight it to the refinery, pay the duty on it, etc., before he commenced the process which made it fit for human consumption.

The raw product was obtained from the West Indies, chiefly, said Mr. Drummond. A proportion of it came from Cuba.

Mr. Drummond said that the cost of raw sugar had risen since January by $3.25 per hundred pounds, or exactly 100 per cent., but that the net increase secured by the refiner was $2.89. This increase was further reduced by 25 cents on account of increased loss in refining, inasmuch as 107 pounds of raw sugar is required to produce 100 pounds of the refined article. Thus, Mr. Drummond argued that the refiner had actually increased his price only $2.64, and was absorbing himself 61 cents per hundred pounds of the addition to the cost of his raw material. "Our margin at this date," said Mr. Drummond, "is $1.90 per 100 pounds. This is actually less than it has cost us this year to do the refining." The net gain to refiners over a period of years, he said, was very small, amounting in the aggregate to about one-fifth of a cent a pound.

Besides the sugar refiners are hard hit by the new tariff regulation.

Promised Protection

J. W. McConnell, president of St. Lawrence Sugar Co., told the committee that the refiners were given a definite promise by the Board of Commerce that they would be protected against a falling market as the consumers were being protected against a rising market. That was in 1920. The Meighen government repudiated the promise of the board and thus the savings of the refineries for ten years back were wiped out. His own losses equalled his liquid assets and the total value of his plant. He declared the whole deal a grave injustice to refiners and one from which they may never recover. Mr. McConnell told the committee that the sugar shortage was real, not artificial.

C. E. Neill, general manager of the Royal Bank, declared his bank was not financing raw sugar speculation and helping sugar firms to hold the raw product off the market. He said the bank had no control over those to whom it made loans to and who still have sugar to sell. The tonnage held by these firms was 75,000, whereas the total the bank financed was 400,000. He said the bank was carrying no loans to speculators.

C. D. Schurman, supt. of foreign branches of the Bank of Nova Scotia, which has 2 branches in Cuba, gave it as his opinion that the sugar shortage was due to increased consumption and a decrease in production. There was no artificial enhancement.

Canada's Foreign Trade 4 p.c. of World's Total

From Our Own Correspondent.

MONTREAL.—Gradually Canada's percentage of the total international trade of the world has been rising. During 1922 Canada's foreign trade amounted to 4 per cent. of the world's total and in 1921 it was 4 1-3 per cent. Before the war the figure was only 2½ per cent.

Comparative figures, as estimated by THE FINANCIAL POST, are as follows:

	Percent. of Ttl.
1913	2½%
1919	3 %
1920	3¾%
1921	4 1-3%
1922	4 %

The site of the new oil refinery which the Dominion Refineries, Limited, plans to erect at Lethbridge, Alta., has not yet been definitely decided upon. It will cost about $100,000. A supply of crude oil has been arranged for.

General Improvement Indicated By Western Canada Reports

The Regina correspondent of THE FINANCIAL POST reports satisfactory seeding conditions and progress following a four-hundred-mile automobile tour through the central and southern portions of the province, touching also the rich farming district in the south-west. The implement and automobile business was found to be more active than at any time since 1914 and the only complaint which farmers and others who employ labor had to voice was the difficulty in getting men. The "hard times" stories, given such wide publicity during the winter, it was claimed, had discouraged the usual spring influx of labor seeking employment on the land. Building in rural Saskatchewan is also very brisk and in this regard elevator construction is probably the most important. It is estimated that fully 200 elevators involving an expenditure of twenty to thirty millions of dollars will be constructed this year. The Saskatchewan Co-operative Elevator Company has made plans to erect 25 of these, its largest building program since 1914. Altogether business and agriculture are assuming a very brisk aspect. As regards crop conditions in the territory covered, THE POST'S correspondent reports in detail as follows:

In the Weyburn area, south central Saskatchewan, seeding is not so far advanced as farther west, but farmers in that district pronounce conditions to be as favorable, or more so than at any time in the past ten years. In practically all districts, even the light soil areas, there is a considerable quantity of moisture in the soil; not sufficient moisture to prevent the land being worked, but plenty to assure quick germination of grain. In many districts, notably Milestone, Arcola, Filmore, Estevan, Lancer, Outlook, Bulyea, Strasbourg, the grain is above the ground and thriving. To date, however, there is an absence of that warm, humid weather which promotes growth so rapidly and which is desirable chiefly in the months of June and July.

On the lines, Regina to Weyburn, Weyburn to Assiniboia, Assiniboia to Shaunavon, representing roughly a distance of 325 miles, the area is of course one of the best for grain in the province. Over practically this entire line, the crops of 1922 were in excess of any previous year, consequently the villages and towns along the route reflect the prosperity in the country.

Canadian Pacific Report

The Canadian Pacific Railway reports good progress in seeding operations. Wheat seeding is from 25 to 55 per cent. completed in Manitoba, 25 to 75 per cent. in Saskatchewan and 75 to 85 per cent. in Alberta. Early wheat is up in many sections of Saskatchewan and is showing a good stand and color. Spring ploughing for oats and barley is well under way.

Canada's Trade Record

Main Groups	—Twelve Months Ended March—		
	1921	1922	1923
Imports for Consumption—			
Agricultural Products	$ 259,431,110	$172,665,523	$161,669,784
Animal Products	61,722,390	46,645,789	46,736,774
Fibres and Textiles	243,608,342	139,997,137	170,146,958
Wood and Paper	57,449,384	35,791,487	35,845,544
Iron and its Products	245,625,703	110,210,539	138,724,455
Non-Ferrous Metals	55,651,319	29,773,413	37,492,604
Non-Metallic Minerals	206,095,113	137,604,140	139,919,012
Chemical Products	37,887,449	24,630,333	25,793,101
Miscellaneous	72,688,072	50,485,971	46,136,811
Total Imports	1,240,158,882	747,804,332	802,465,043
Dutiable Goods	847,561,406	495,620,744	537,214,581
Free Goods	392,597,476	252,183,588	265,250,462
Duty Collected	179,658,474	121,477,763	133,791,514
Exports (Canadian)—			
Agricultural Products	482,140,444	317,578,963	407,760,092
Animal Products	188,359,937	135,798,720	135,841,642
Fibres and Textiles	18,783,884	4,585,987	7,850,843
Wood and Paper	284,561,478	179,925,887	222,756,205
Iron and its Products	76,500,741	28,312,272	51,137,912
Non-Ferrous Metals	45,939,377	27,885,996	44,358,037
Non-Metallic Minerals	40,121,892	22,616,684	27,646,704
Chemical Products	20,366,279	9,506,170	14,046,940
Miscellaneous	32,389,669	14,030,001	14,053,068
Total Exports (Canadian)	1,189,163,701	740,240,680	931,451,443
Foreign Exports	21,264,418	13,686,329	13,844,394
Total Exports	1,210,428,119	753,927,009	945,295,837

THE RECIPROCITY MOVE JUST PLAY TO THE GALLERY

(Continued from Page 1)

While there are farmers who are inclined to accept this view of the Fordney-McCumber as being slightly prejudiced, it is likely that the greater part of the Western and Middle Western American farmers still believe that a lowering of the tariff in favor of the Canadian farmer, would seriously affect their prices. Prices have undoubtedly improved and the farmer's position has improved with them but the improvement in the farmer's general position is still so small that he does not feel at all inclined to take any chances.

What Farmer Sees

Take the position of the American grain grower, for instance. Since the enactment of the Emergency Tariff he has seen the importation of Canadian grain fall steadily. He has also seen prices rise steadily until American prices were considerably higher than those quoted for the same grade of grain in Canada. While experts like Peter William Hamilton, editor of the Wall Street Journal, and the present head of the Federal commission administering the grain futures act, may differ as to the amount of help the tariff on grain may have been to the American grain grower, apparently the grain grower himself is satisfied with the tariff as it is.

While it is true that during recent months some of the important American farm organizations have criticized the Fordney-McCumber tariff, if local comment is any criterion, the attitude of these organizations is exceptional. The critics are held to be expressing the opinion of their particular members or of the officers that head them, rather than of the greater part of the American farming interests. While possibly they may be regarded as indications of a coming revolt against protection, they can hardly be regarded as anything else.

The administration apparently takes this view of the state of farm opinion regarding the tariff, for it is understood to be making preparations to make the problems of the farmer one of the major planks in its platform during the coming election campaign. It is said to believe that farmer dissatisfaction with the present situation in the farming districts is so strong that no party which does not come out with a strong program designed to help the farmer out of his present difficulties can hope to succeed in landing their candidate in the White House in 1924. To tinker with the present tariff, particularly those portions of it which deal with farm products, would, the party's leaders are said to believe, only rouse a hornet's nest and threaten the chances for Republican success at a time when the party can least afford to lose even a few votes.

Playing to Gallery

Canadian bankers resident in New York City are inclined to express the opinion that Mr. Fielding's bid for reciprocity with the United States is to be regarded more as a political gesture than as a manoeuvre made under the impression that there was any chance of President Harding acceding to his request. The Minister of Finance, they appear to believe, is playing to the gallery in the Canadian West; in suggesting to the administration in Washington that it would be desirable to lower the American tariff, he had his eye on Western votes rather than on the American market.

ITINERIS SANITAS STABILITAS

Tenders will be received up to 5 p.m. on May 30th, 1923, for the purchase of $68,000.00 5½% School Debentures also of $25,000.00 5½% Waterworks and Sewer Extension Debentures. Both issues repayable by 30 annual instalments.

Fuller particulars on application to

A. T. LAWSON,
Clerk-Treasurer,
Phone Hudson 745J. Leaside P.O.

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 145

Notice is hereby given that a dividend of three per cent. upon the capital stock of this Bank has been declared for the quarter ending 31st May, 1923, and that the same will be payable at the Bank and its Branches on and after Friday, 1st June next.

The transfer books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 13th April, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Friday, the FIRST day of JUNE next, to Shareholders of record of 30th April 1923.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR
General Manager.
Montreal, 27th April, 1923.

ONTARIO
SALE OF TIMBER

Tenders will be received by the undersigned up to and including Friday, the 15th day of June, 1923, for the right to cut the timber on the south-west part of the Township of Barr, and the north-east part of the Township of Kittson, in the Temagami Forest Reserve, district of Temiskaming.

The red and white pine timber only is offered in the Township of Barr.

For conditions of sale, maps, etc., apply to the undersigned, or to Mr. S. C. MacDonald, Crown Timber Agent, New Liskeard, Ont.

BENIAH BOWMAN,
Minister of Lands and Forests.
Toronto, May 12th, 1923.
N. B.—No unauthorized publication of this notice will be paid for.

The Royal Bank of Canada

DIVIDEND No. 143.

Notice is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Friday the first day of June next, to shareholders of record at the close of business on the 15th day of May.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., April 13, 1923.

The Mexican Light & Power Company, Limited

5% Second Mortgage Fifty Year Bonds

NOTICE IS HEREBY GIVEN that a half-year's interest on the 5 per cent. Second Mortgage 50-Year Bonds of The Mexican Light and Power Company, Limited, will be paid on and after the first of June, 1923, at the Bank of Scotland, London, England, at The Canadian Bank of Commerce, Toronto and Montreal, and at their Agency in New York, N.Y., against the surrender of Coupon No. 8, dated the 1st of December, 1915.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED
R. H. MERRY,
Secretary.
Toronto, May 15th, 1923.

Willards Chocolates LIMITED

Annual Redemption of Preference Shares

Offers of this Company's 8% Preference Shares to a total par value of $18,000 will be received by the undersigned at its office at 443 Wellington Street West, Toronto, Canada, up to twelve o'clock noon on Monday, the 21st day of May, 1923.

Each offer will be deemed to include accrued dividend and to be for the whole or any part of the number of shares offered at the rate specified in the said offer. Delivery of stock and payment therefor in Toronto funds to be made at the aforesaid office of the Company.

The undersigned does not bind itself necessarily to accept the lowest or any tender.

Dated at Toronto, May 7th, 1923.
Willards Chocolates Limited,
443 Wellington St. W.,
Toronto, Canada.

CANADIAN COTTONS, LIMITED

NOTICE

The Annual General Meeting of the Shareholders of Canadian Cottons, Limited, for the reception of the Annual Report, the election of Directors, and the transaction of general business, will be held at the Head Office of the Company, Mark Fisher Building, Victoria Square,

ON MONDAY, THE 21st MAY,
At 12.30 P.M.

A. BRUCE,
Secretary-Treasurer.
Montreal, 7th May, 1923.

IMPERIAL OIL LIMITED

DIVIDEND

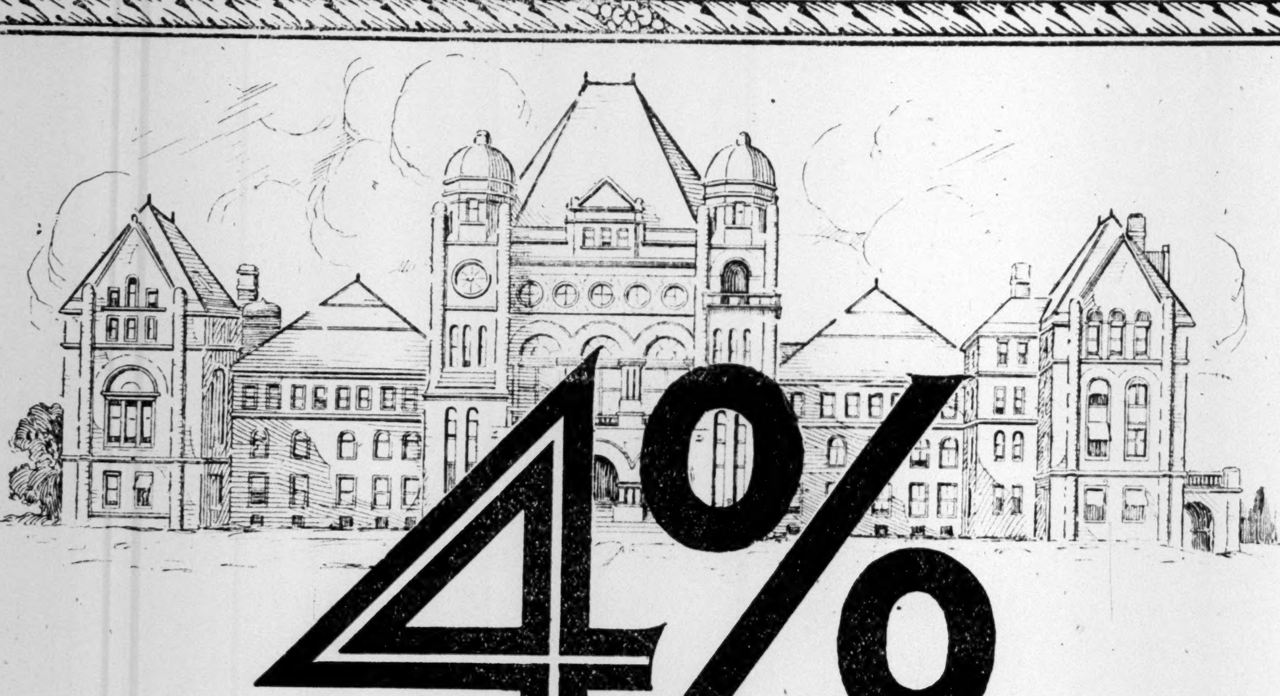
NOTICE is hereby given that a Dividend of seventy-five cents (75c) per share has been declared by the Directors of Imperial Oil, Limited, and that the same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number Sixteen of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,
or at the office of:
Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario,
such presentation and delivery to be made on or after the first day of June, 1923.

Payment to Shareholders of record and fully paid up at the close of business on the 15th day of May, 1923, (and whose shares are represented by Share Certificates) will be made on or after the 1st day of June, 1923.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of May, 1923, to the close of business on the 1st day of June, 1923.

By order of the Board.
E. V. A. KENNEDY,
Secretary.
56 Church Street, Toronto, Ont.
May 10th, 1923.



THE Ontario Government Savings Offices pay four per cent. on savings. Depositors are absolutely guaranteed. These Offices were authorized by Act of Legislature, and the full responsibility of the Government stands behind them.

Open an account today. If you live too far away for a personal call, write. You may make deposits by mail as easily as you can make withdrawals by cheque.

Write or Call To-day

Province of Ontario Savings Office

Head Office: 15 Queen's Park, Toronto

Toronto Branch Offices:
Cor. Bay and Adelaide Sts. Cor. University and Dundas Sts. 549 Danforth Avenue.

Other Branches at:
Hamilton, Brantford, Seaforth, St. Catharines, Woodstock, Walkerton, St. Mary's, Owen Sound, Newmarket, Pembroke, Ottawa, Aylmer

BANK PAPER TAKES CARE OF 96 P.C. OF BUSINESS OF DAY

Interesting Views on Money of the Present Day

NO FIAT MONEY

Sir Edmund Walker Gives Valuable Data and Methods in Vogue—Traces Act of Bank Note

What is fiat money?

What portion of Canada's money is fiat money?

How many kinds of money are there?

Dangers of quantitative theory of money.

Credit, not money, big factor in business.

How Canadian bank note operates.

These problems, interesting to all business, financial people as well as students in economics, were well dealt with by Sir Edmund Walker, president of the Bank of Commerce, in his evidence before the Banking Committee of the House of Commons at Ottawa recently.

"Fiat money," said Sir Edmund, "is money issued by a government without gold as its basis, and not redeemable, but passing on the fiat of the government, passing simply because the government says it is legal tender."

Sir Edmund would not like to say that "we have any fiat money in Canada at the present time, because of the war. We have an amount of gold representing our legal tender notes, but not entirely the whole, but the notes are effective as instruments of business, and more than that, they are secured by express securities. We do not apply the words 'fiat money' to paper money of that kind. The name is distinct and it is government money not intended to be redeemed, which has no gold or valuable security behind it, and it passes because the government made it legal tender, passes under a fiat."

Sir Edmund was asked how he would class the great volume of credits which appear as money in the country at the present time and his answer was "that they are not redeemable in gold." He contended "that there was no reason or object why credit should be called money for the express purpose of finding a similarity between it and fiat money. Credit is a thing that must be met either immediately, if it takes certain forms, or at the due date by something that is satisfactory to the recipient. Fiat money is not that. Fiat money must be taken by the people whether satisfactory or not. It has no value behind it, except the covenant, is not redeemable at any particular time, and passes simply because the government says it must pass. Credit is a thing that is voluntarily extended."

Declaring that 96% of the entire business of North America is carried on by cheques, Sir Edmund said, "that people usually apply the word 'money' to the ordinary circulating medium used in the tills of the merchants or to the payment of balances." He declared that there is nothing more dangerous than the loose use of the word money, and in discussing money suggested that as is the case with taxes, it is much better to say what you mean. He went on to point out that there is international money, local money, hard money, which means gold and silver, soft money, which is generally applied to paper, not redeemable. They are all money only their functions may be slightly different and their value is different.

Questions brought Sir Edmund to the point of discussing the control of price levels by banks controlling credits and the head of the Bank of Commerce said the idea was entirely new to him. "Of course," he added, "any person who controls credits in any large way, might by the use of it, affect prices; but as to trying to indicate that the banks are in any sense price makers, because of the fact that they handle the government credit, I do not think there is any basis whatever for that statement."

Sir Edmund was then asked in regard the quantitive theory of money, that is, that the volume of money, other things being equal, affects the price level.

"There is not any more dangerous theory, or theory more wrongly used than the theory of the quantitive value of money. Some of the very greatest economists and financiers in the world disagree altogether—men like Robert Benson—with the theory. I will only admit that the prices are affected by the quantity of money along certain angles; I won't admit even that it is one of the most important angles, it is one of several of the angles, but it is not all. If you had a small community and had nothing but gold as the circulating medium in that community, confined to a few farmers, fishermen and different people, undoubtedly the quantitative value would apply. They would compare the amount of their wheat, fish, and other products with the amount of gold in the possession of the people who had the gold. But when we look at our situation we discover that the amount of gold in the world is so slender relatively to the entire body of credit that it has no great effect. The amount of credit used through the clearing houses is a thing that is made every day by the operation of the clearing houses; it is not a fixed amount of money that stays inert and therefore affects prices up and down by the fact that it stays inert. It goes up and down caused by the operation and not of itself. Now the positive effect of money quantitatively on prices is when the money is fiat money, is legal tender money, irredeemable, and issued in a fixed quantity. It is static and the prices are not."

Discussing the right to issue bank notes, Sir Edmund said:

"Our notes are issued at each time to perform a particular credit function—and they may perform a second or third—but they come back at once to the clearing house, and are dead, killed, absolutely; that is as a piece of paper they exist, but as a note they do not exist. When the Federal Reserve system was established in the U. S. they tried in every way to scheme out a system of banking which would be guaranteed by the government, and not have to go through the expensive and difficult machinery of daily redemption. I tried to convince them that their system of paper money would be absolutely bad unless it affected the function I have described, but it should go out in response to a demand for some credit transaction and come back when it had effected that transaction or one or two more, and die when it comes back. And it is because our instruments, our notes, are not fiat money, are not money secured by particular bonds and static in amount, but do go out—to do a real thing, in response to a real credit demand, and do when they have effected that demand come back to be redeemed, that they are as I say the only right kind of paper money in the world. They have no other analogue that I know of except the Federal Reserve system of the United States. I still maintain that to be effective, paper money is not based upon gold, should be issued as a credit instrument to perform its function, or one or two other functions, and should constantly come back and be redeemed and not paid

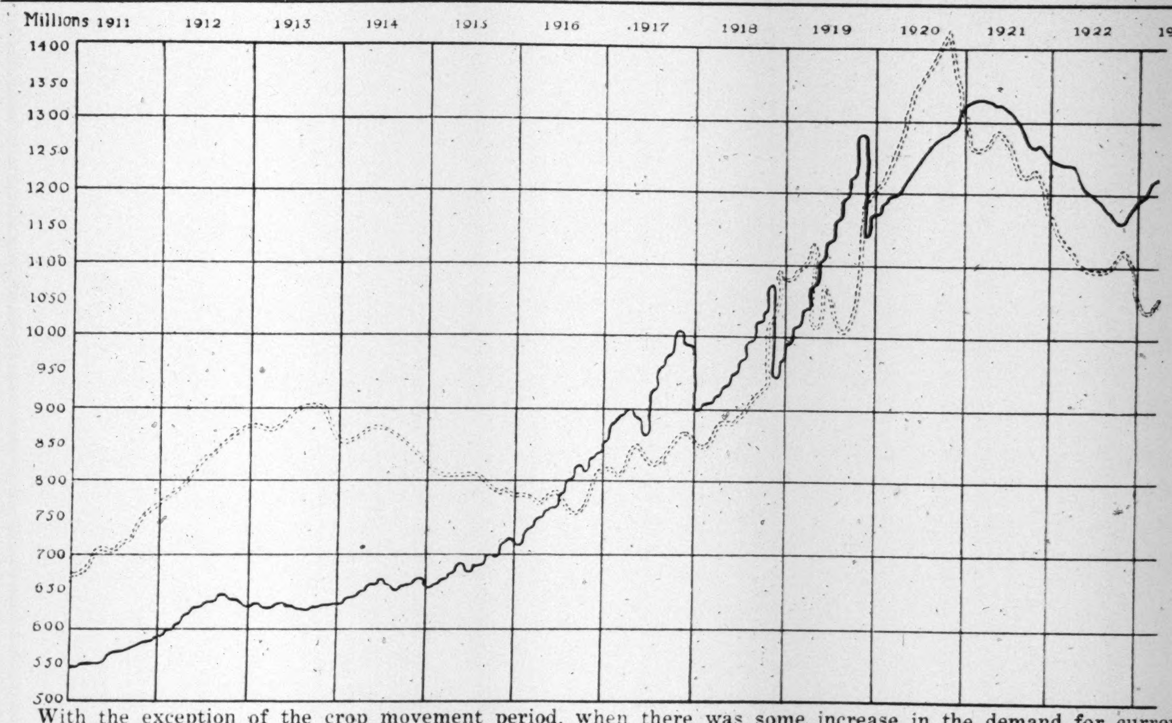
(Continued on page 19)

HOW CANADA'S BANK BRANCHES HAVE SPREAD OUT

Bank returns to the Finance Department at Ottawa do not show the number of branches being operated. However the department has compiled some statistics gathered from reliable sources. These figures are as follows:

1900	641
1910	2,368
1920	4,676
1922	4,472

CURRENT LOANS AND SAVINGS DEPOSITS OF CANADA'S BANKS



With the exception of the crop movement period, when there was some increase in the demand for current loans, the trend of business in Canada during the later months of the last year was reflected in a continued contraction of commercial credits (indicated by the light line). This tendency continued during January but was checked during February and during March there was a considerable expansion, which may be regarded as a reflection of enlarged industrial activities.

Savings deposits continued to decline until towards the end of 1922, when there was a distinct improvement (dark line), which has been continued; this is taken as an indication of the improved conditions as regards employment—more work at higher wages.

In view of the charge that the banks brought about the depression by curtailing credits, it is interesting to study these curves not only for the period of readjustment but as compared with the pre-war period.

Strong Position Maintained by Banks; Interesting Data on Their Progress

The history of banking in Canada has been a decidedly interesting one. There are those who contend that it has been one of mergers. However, a glance at a table produced elsewhere in this issue serves to show that these have not been quite the wholesale merging that many think. In many many cases the mergers in question have been more of a benefit to sections of the community than to the absorbing bank. They prevented collapses and thus saved heavy financial losses. Of course absorptions have always had an advantage to the absorbing bank by increasing or extending the field of its activities. This advantage, however, has been more appreciated of late years since the drive for branch extensions reached such huge proportions.

One important point stands out in reviewing the financial position of the various banks, that is, the strong position of their rest, which when added to the undivided profits, large in practically all cases, places these institutions in a strong position.

Dividends vary, the general run is 12 per cent. one or two banks are lower, and one or two higher. One of the latter is 14 per cent. and the other is 16 per cent.

The details of each of the 17 banks in Canada follow:

BANK OF COMMERCE

The Bank of Commerce is an amalgamation of several institutions. In 1870 it absorbed the Gore Bank, paying $445,104 in stock or 55 cents on the dollar. In 1901 it absorbed the Bank of British Columbia, paying $2,000,000 in stock and $312,000 in cash. In 1903 the Halifax Banking Co. was taken in, paying $700,000 in stock and $6,000 in cash. In 1906 the Merchants of Prince Edward Island went in for $678,024 cash. The last was 1912, the Eastern Townships Bank joined, getting two shares ($50) of commerce for one share ($100) of Eastern Townships.

Prior to 1903 the capital outstanding was $8,000,000. There was an increase of $700,000 in allotment on the Halifax purchase. In 1905 $1,300,000 in stock sold at $140; $1911 $2,000,000 at $180; 1912, $3,000,000 to Eastern Townships, making $15,000,000 in all. In 1912 the shareholders authorized a $10,000,000 increase in capitalization to $25,000,000, to be issued as required.

Profits are now running three times what they were in 1903 and at the present market of $198, is netting the investor better than 6.50 per cent. The income account is steadily climbing and at the end of 1922 stood just below $5,000,000. The industrial and financial deflation of the past year was marked by a $22,000,000 reduction in total assets, liquid assets being down $10,499,000 and other assets $11,531,000.

Current loans and Dominion note holdings shared responsibility for the main drop in assets, the former's decline being $12,890,000, and the latter $13,083,788. The total assets stand at $406,108,675, liabilities, $373,406,312. Profits were slightly below the three previous years. The rest stands firm, equal to the amount of the capital stock outstanding. The undivided profits declined slightly.

Capitalization	Authorized	Outstanding
Stock	$25,000,000	$15,000,000
Reserve	......	15,000,000
Undivid. prof.	......	1,946,745

Dividend Record—

12% per annual, payable quarterly, March, June, September and December. 1% paid December, 1920-21-22.

Directors—

Sir Edmund Walker, president; Sir John Aird, Sir Thos. White, Sir Jos. Flavelle, E. R. Wood, H. C. Cox, C. N. Candee, T. A. Russell, Sir Alex. MacKenzie, Miller Lash, Vincent C. Massey, Toronto; A. Kingman, Hon. Geo. Foster, F. P. Jones, W. W. Hutchison, Montreal; Sir John Gibson, Hamilton; Robert Stuart, Chicago; G. F. Galt, Winnipeg; H. J. Fuller, Chas. Colby, New York; H. R. Silver, Halifax; J. A. Richardson, Kingston; A. C. Flumerfelt, Victoria.

Profit and Loss—	1921	1922
Profits	$3,116,137	$3,002,435
Bal. forward	1,783,979	1,946,745
	$4,900,116	$4,949,180
Dividends	1,950,000	1,950,000
Pension fund	178,371	176,678
Taxes	325,000	325,000
Premises	500,000	400,000
Balance	1,946,745	2,097,502
	$4,900,116	$4,949,180

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$2,850,318	$1,500,000	$1,444,842
1919	3,074,893	1,800,000	1,427,735
1920	3,306,244	1,950,000	1,783,979
1921	3,116,137	1,950,008	1,946,745
1922	3,002,435	1,950,000	2,097,502

Market Record—

1920 H.	1920 L.	1921 H.	1921 L.	1922 H.	1922 L.	*1923 H.	*1923 L.
199½	173¼	200	179¾	191½	180	201	193

* To April 26.

DOMINION BANK

The Dominion Bank is one of Canada's successful banking institutions that has steadily progressed without the usual short cuts to bigger business by absorption. Prior to 1900 the capital stock stood at $1,500,000. In June of 1900, $1,000,000 in stock was put out at 100 per cent. premium and the same price was received for a subsequent allotment in 1902, $500,000. In 1907 a premium of 110 per cent. was received for a million dollar issue and two subsequent issues, 1911 and 1913, of a million each at 100 per cent. premium. Thus the capital outstanding is $6,000,000.

At the present price of 196, Dominion Bank nets the investor just under 6.60 per cent. The stock in the middle of last summer sold down to 187, registering a new low since 1913.

The last annual statement, profits were shown to have exceeded the year before by just $1,400. There was a substantial balance forward which added to the net earnings took care of all charges and dividends and left $758,163 undivided profits for 1923. Rest is $1,000,000 above the total of the outstanding stock.

Current loans were shown to have increased by over $200,000, despite the retrenchment period which during 1922 was at its height. Call loans were also higher, while Dominion note holdings were materially reduced as was also the amount owing the Dominion, by $4,000,000. The liquid assets at $47,885,000 were just under 1921, while other assets were $1,200,000 down. Liabilities showed a total decline of $1 271,578.

Capitalization	Authorized	Outstanding
Stock	$10,000,000	$6,000,000
Rest.	......	7,000,000
Undivid. prf.	......	715,480

Dividend Record—

12% payable quarterly, Jan., April. June, October. Bonus, 1% Jan. 1920-21-22-23.

Directors—

Sir E. B. Osler, president; A. W. Austin, C. S. Blackwell, R. J. Christie, R. Y. Eaton, W. W. Near, A. T. Reid, H. H. Williams, W. L. Matthews, Toronto; Sir Augustus Nanton, H. W. Hutchinson, Winnipeg; Jas. Carruthers, Montreal; E. W. Hamber, Vancouver; R. S. McLaughlin, Oshawa.

Profit and Loss—	1921	1922
Profits	$1,125,181	$1,175.478
Govt. taxes	108,919	157,795
Net	1,016,262	1,017,683
Bal. forward	669,218	715,480
	1,685,480	1,733,163
Dividends	780,000	780,000
Pension	40,000	45,000
Premises	150,000	150,000
Balance	715,480	758,163
	$1,685,480	$1,733,163

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,086,498	$ 720,000	$ 446,503
1919	1,169,703	780,000	495,707
1920	1,188,511	780,000	669,218
1921	1,016,262	780,000	715,480
1922	1,017,683	780,000	758,163

Market Record—

1920 H.	1920 L.	1921 H.	1921 L.	1922 H.	1922 L.	*1923 H.	*1923 L.
206	190	204	185	196½	186½	203	191

* To April 26

BANK OF HAMILTON

The outstanding stock of the Bank of Hamilton has grown steadily since 1890, at which time it stood at $1,000,000. In the following 32 years there have been nine new allotments which placed the total issued capital at $5,000,000 or $2,000,000 under the authorized total. Reserves fall slightly under the total issued capital, but the adding of undivided profits takes the total well over the $5,000,000 mark.

The bank suffered a contraction in earnings in 1922, despite the fact that loans were maintained at a high level. There was a material decline in liquid assets, $19,513,000 in 1921, to $16,228,000 in 1922, while other assets declined $1,724,000 to $58,243,000, or total assets of $74,471,630 down $5,009,000. In the current assets the big drop was in government security loans, $2,827,877, while current loans were down $2,163,879 and municipal loans, $1,053,946. Saving and demand deposits were both lower, to total of almost $5,000,000.

At the present market price, $170, Bank of Hamilton stock nets the investor 7.35 per cent.

Capitalization	Authorized	Outstanding
Stock	$7,000,000	$5,000,000
Rest.	......	4,850,000
Undivid. prf.	......	216,590

Dividend Record—

12% payable quarterly, Mar., June, Sept. and Dec.; bonus ½% Sept., 1920; March, 1921.

Directors—

Sir John Hendrie, president; C. A. Birge, H. S. Ambrose, R. Hobson, W. E. Phin, W. A. Wood, A. V. Young, Hamilton; C. C. Dalton, J. Turnbull, Toronto; J. Pitblao, W. P. Riley, Winnipeg.

Profit and Loss—	1921	1922
Profits	$ 850,672	$ 797,898
Prem. on stock	890	......
Bal. forward	139,265	216,590
	$ 990,827	$1,014,488
Dividends	599,954	600,000
Pension	23,408	21,031
Taxes	49,984	66,659
Premises	100,000	......
Reserves	890	250,000
Balance	216,590	76,798
	$ 990,827	$1,014,488

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$ 571,226	$ 360,000	$ 85,114
1919	847,105	469,184	85,249
1920	888,019	598,569	139,265
1921	850,672	599,954	216,590
1922	797,898	600,000	76.798

Market Record—

1920 H.	1920 L.	1921 H.	1921 L.	1922 H.	1922 L.	*1923 H.	*1923 L.
194	168	185	168*	175	163	171¾	165½

* To April 26.

LA BANQUE d'HOCHELAGA

La Banque d'Hochelaga has been operating for many years in Canada. It was incorporated in 1874 and in its expansion has followed the French Canadian settlements from Quebec province west. It has a number of branches in Ontario, chiefly in the Ottawa Valley and in Northern Ontario; it is in the district of Manitoba that is largely French in population and has branches in Saskatchewan and Alberta where there are French communities. There are no branches in the Maritime Provinces.

Dividends are paid at the rate of 10 per cent. per annum and were increased to this rate in December, 1919.

The bank has been very successful in getting deposits from smaller individuals and is known to some people as the working man's bank. It has for three years operated a Christ-

(Continued on page 18)

PROF. FISHER'S THEORY DOES NOT SOLVE PROBLEM

Can't Have a Stable Dollar in Unstable Universe

PROPOSAL NOT NEW

How it Was Tried in Scotland Without Great Success—Relation of Currency to Bank Act is Remote

By JAMES MAVOR, Ph., D.

While the discussion of currency questions in general by Professor Irving Fisher, of Yale, was irrelevant to the topic before the Committee on Banking and Commerce at Ottawa, it was in itself not without interest. For several years Professor Fisher has been conducting a propaganda for a "stable dollar." The obvious answer to his propaganda is, how can there be a stable dollar in an unstable universe, and if the dollar were stable what would be the good of its stability?

Professor Fisher's project involves the association of the purchasing power of the dollar with the index number of the prices of commodities, that is to say, the dollar would be elastic while the relations of certain commodities to one another would be stable and permanent.

There is nothing new in this project. The plan was in use in Scotland, for example, for a long period. Rent, wages and payments of many other kinds were fixed in terms not of money but of meal or other farm produce. So long as the meal was used for subsistence, the wages payable in it were, of course, invariable, so also in the case of rent, etc., but the purchasing power of meal or its equivalent in money over other commodities varied, and thus unless the recipient of the stabilized commodity consumed that commodity and that only, he was exposed to the varying purchasing power of the commodity when he came to exchange it for anything else.

Causes of Fluctuations

The fact is that fluctuations in prices are due to many causes, only some of which relate to currency. Thus, a failure of the cotton crop must lead to a high price for cotton, and an increase in the price of wool, linen, silk and other textiles because of the increased proportionate use of these. This means that the purchasing power of money in relation to textiles has diminished. Diminution in purchasing power may thus arise from circumstances other than those concerning quantity of currency, credit of issuing authority or any other circumstance concerning currency. Similarly, prices may be determined chiefly by currency movements. While travelling in Austria, for example, the writer was notified that the price of his room in a hotel had been raised several hundred kronens per day owing to the fall of exchange, yet demand for rooms was a factor in determining the price.

Thus, those conditions which affect goods and those which affect currency act together like the blades of a pair of scissors: both blades share in cutting as both series of conditions share in the determination of prices. Stabilization of prices in the sense of absence of fluctuation in the rates of exchange of different commodities is one thing and stabilization of currency is another thing.

Uncertainty of Government

Stabilization of currency means that the currency is firmly based on the credit of a secure and honest government or of a peaceful and industrious society. Since any government, however apparently secure, is exposed to risk of removal, since the character of its successor cannot be foreseen, and since the most peaceful and industrious society may be exposed to external attack, currency is customarily based upon gold or silver because these are universally disposable.

Stabilization of prices does not follow necessarily upon stabilization of currency, although fluctuation of prices is limited under a stable currency to that caused by circumstances affecting commodities. So long as climatic conditions vary, so long as the wants of mankind vary in time and place, so long must purchasing power expressed in terms of service, or of commodities, or of money, vary.

Currency and Bank Act

The relation of currency to the Bank Act is really remote; that currency is dragged into the discussion is due to the impression which seems to be abroad, that the banks have some kind of control over prices. Under the Act, the emission of currency by the banks is strictly regulated and limited. If the purchasing power of currency were fixed by irrefragable law and if the banks had unlimited power of issue, then the banks might lend or even give away their notes without fear of special consequences to themselves, the only consequences being the inevitable ruin of the community, because no one would work or serve.

Under existing circumstances, the banks may prevent certain speculations by refusing to lend upon securities for the purpose; but if the speculator has securities acceptable to the banks, he will be able to speculate whether the banks approved his proceedings or not. Speculation has only a very temporary influence upon prices, and over speculation the banks can exercise comparatively slender influence. Over the chief determinants of price the banks are powerless. They cannot compete with the boll-weevil in influencing the price of cotton, or with rust in influencing the price of wheat, or with exhaustion of coal seams in influencing the price of coal.

(Continued on page 20)

Incorporated 1855

Branches Throughout Canada

THE MOLSONS BANK

HEAD OFFICE

MONTREAL, CANADA

Capital and Reserve $9,000,000

128 Branches in Canada

The present status of The Molsons Bank has been reached by service, by eliminating unnecessary red tape, and by making a man feel that he has a real friend and adviser in The Molsons Bank

EDWARD C. PRATT

General Manager

Strong Position Maintained by Banks; Interesting Data on Their Progress

(Continued from page 17)

mas Club. This club has hardly yet been put upon a profitable basis. The cost of operation of a Christmas club is such that it seldom brings any profit to the bank in itself but the benefit comes from the number of permanent deposit accounts that follow the Christmas club. Thus over a term of years the club will likely bring important deposits to the bank.

Capitalization	Authorized	Outstanding
Stock	$10,000,000	$ 4,000,000
Reserve	......	4,000,000
Undivid. prof.	......	194,536

Dividend Record—
Payable quarterly, March, June, Sept. and Dec. Increased from 9 to 10% Dec., 1919.

Directors—
J. A. Vaillancourt, President; Hon. F. L. Beique, A. Turcotte, E. H. Lemay, Hon. J. M. Wilson, A. A. Larocque and A. W. Bonner, Montreal.

Profit and Loss—	1921	1922
Profits	$ 630,902	$ 604,830
Bal. forward ...	83,804	184,706
	$ 714,706	$ 789,536
Dividends	400,000	400,000
Pension fund ..	20,000	20,000
Fed. taxes	40,000	75,000
Premises	70,000	100,000
Balance	184,706	194,536
	$ 714,706	$ 789,536

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$ 505,187	$ 360,000	$ 62,959
1919 .	611,105	360,000	76,054
1920 .	649,739	400,000	83,804
1921 .	630,902	400,000	184,706
1922 .	605,830	400,000	194,536

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
158½	151	158	148	151¼	143½	152	148

* To April 26.

HOME BANK

The Home Bank of Canada is one of the youngest institutions of its kind in the Dominion. It is steadily improving its position. This house is of outstanding importance inasmuch as it is practically the bank of English-speaking Catholics and as such can be said to handle a goodly portion of the business of the various Catholic institutions. For this reason it may be looked upon as a bank unlikely to be absorbed, and one that will retain its identity. In 1913 La Banque Internationale du Canada, which had suffered a heavy loss in its Paris operations, was purchased by the Home at $128 per share.

This was responsible for the second increase of $500,000 in the bank's capital. This brought it to the present level. The fiscal year of the bank does not end until June 1st, but on that date, 1922, the bank was weathering the change in trade conditions fairly satisfactorily, a cut in circulation and demand deposits being the two principal items. The amount due the Dominion Government was also materially lowered. The drop in business conditions was shown by the reduction of current loans. This item, $240,000 was small, however, when it is considered that the total stood at $15,500,000. Assets totalled $30,-021,490, the liquid total being about one-third.

Capitalization	Authorized	Outstanding
Stock	$ 5,000,000	$ 2,000,000
Reserve	......	550,000
Undivid. prof.	......	125,084

Dividend Record—
Increased 6 to 7% June, 1912; reduced to 5%, Sept., 1915; increased 6% for quarter ending Aug., 1919; increased to 7% quarter ending Aug., 1920; payable quarterly Mar., June, Sept. and Dec.

Directors—
H. J. Daly, president; R. P. Gough, S. C. Wood, J. F. M. Stewart, F. J. B. Russill, J. Cooper Mason, Toronto; C. A. Barnard, Col. Clarence Smith, Montreal; P. A. Mitchell, London, Eng.

Profit and Loss—	1920-21	1921-22
Profits	$ 278,556	$ 275,112
Bal. forward	146,874	134,867
Prem. on stock..	140	147
	$ 425,570	$ 410,126
Dividends	137,154	137,184
Taxes on circ. ..	19,494	18,346
Res. deprec. ...	50,000	......
Prov. taxes	23,423	22,521
Reserves	50,000	......
Income tax	10,632	6,690
Contingent	......	100,000
Balance	134,867	125,035
	$ 425,570	$ 410,126

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1917-18	$ 228,963	$ 97,362	$ 150,731
1918-19	288,753	97,378	158,349
1919-20	268,895	117,237	146,874
1920-21	278,556	137,154	134,867
1921-22	275,112	137,184	125,085

IMPERIAL BANK

The Imperial Bank is now on its 49th year in business and its history has been one of steady progress. The head office is in Toronto and the majority of the directors are Ontario men. The last report shows 2,264 shareholders. Perhaps one of the unique features of the Imperial Bank to-day is that the present president, Peleg Howland, and the present vice-president, Dr. W. H. Merritt, St. Catharines, are relatives of the first officials of the bank. Mr. Howland is a son of the first president, and Dr. Merritt a nephew of the first vice-president. The present president was elected in 1914 and the new vice in 1920.

The last statement issued showed the immediately available assets of the bank to have increased $7,500,-000 to $44,283,000, or from 28.6 to 35.4 of the total assets. Other assets totalled $81,103,000, a decrease of $10,000,000. There was a heavy increase in government securities with an almost as large decrease in public securities. Total assets stand at $125,384,764. The reserve fund stands well above the paid-up capital while there is a large total of undivided profits.

Capitalization	Authorized	Outstanding
Stock	$10,000,000	$ 7,000,000
Reserve . . .	....	7,500,000
Undivid. prof.	......	1,175,178

Dividend Record—
12% payable quarterly Feb., May, Aug. and Nov. Bonus 1% May 1920-21-22.

Directors—
Peleg Howland, president; John Northway, J. F. Michie, Sir Jas. Woods, F. A. Rolph, R. S. Waldie, G. C. Heintzman, J. W. Hobbs, Toronto; W. H. Merritt, St. Catharines; Sir Jas Aikins, Winnipeg.

Profit and Loss—	1921-22	*1922
Profits	$1,265,839	$ 638,003
Bal. forward ...	1,171,839	1,175,178
	$2,437,678	$1,813,181
Dividends	910,000	455,000
Pension fund ..	42,500	21,250
Taxes	110,000	80,000
Premises	200,000	......
Contingent .. .	......	250,000
Balance	1,175,178	1,006,931
	$2,437,678	$1,813,181

* For six months.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918-19	$1,247,516	$ 840,000	$ 865,459
1919-20	1,379,319	910,000	1,062,278
1920-21	1,287,061	910,000	1,171,839
1921-22	1,265,839	910,000	1,175,178
*1922	838,003	455,000	1,006,931

* For six months.

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
200	184	191	174	182	160	194	179½

* To April 26.

MOLSON'S BANK

Molson's Bank was organized in 1855 and has paid dividends regularly ever since 1856, the smallest amount paid in one year being 5 per cent. in 1870. The average rate of dividend paid since the corporation was organized has been close to 9 per cent. The stock is widely held and in the course of years has gotten into the hands of many people who hold it strictly for investment purposes. There are a number of estates and other trust funds represented in the list of shareholders.

The branches of the bank are chiefly in Ontario and Quebec but there are some few branches in Alberta, British Columbia and Manitoba as well. The reserve fund now stands at $5,000,000 as against a capital paid up of $4,000,000. The appreciation in the market value of the stock during the past year has been evidence of the high opinion that is held of its shares.

Capitalization	Authorized	Outstanding
Stock	$ 5,000,000	$ 4,000,000
Reserve .. .	......	5,000,000
Undivid. prof.	......	266 318

Dividend Record—
12% quarterly, January, April, June, and October.

Directors—
F. W. Molson, President; W. A. Black, S. H. Ewing, W. M. Birks, J. W. Ross, J. M. McIntyre, Montreal; Wm. Molson McPherson, Quebec.

Profit and Loss—	1921	1922
Profits	$ 752,389	$ 682,104
Bal. forward ...	518,092	187,355
	$1,270,482	$ 869,459
Dividends	480,000	480,000
Govt. Tax	55,000	75,000
Pension fund ...	38,126	38,141
Subscription ...	10,000	10,000
Reserve	500,000	......
Balance	187,355	266,318
	$1,270,482	$ 869,459

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$ 712,485	$ 440,000	$ 248,029
1919 .	818,802	470,000	275,435
1920 .	822,718	480,000	518,092
1921 .	752,389	480,000	187,355
1922 .	682,104	480,000	266.318

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
194	169	180	168½	170	157	177	162

* To April 26.

BANK OF MONTREAL

The Bank of Montreal is the largest bank in Canada and acts as fiscal agent for the Dominion of Canada. The Bank of Montreal is the oldest bank in British North America and one of the largest in the British Empire. In 1918 the Bank of Montreal purchased the Bank of British North America by acquiring its stock, and in 1922 took over the Merchants Bank of Canada by the purchase of its outstanding shares. The Bank of Montreal is by its directorate associated with the number of the larger industrial and financial institutions of Canada and it has branches in every part of the country. At present the bank is in charge of Sir Vincent Meredith and Sir Frederick Williams-Taylor. Sir Vincent Meredith was manager of the bank in Montreal in 1889 to 1903, when he became assistant general manager. Upon the resignation of Sir Edward Clouston in 1911 he became general manager and two years later succeeded R. B. Angus as president. At the same time Sir Frederick Williams-Taylor, who had been manager first of the Chicago branch and then of the London branch, assumed the general management. These two officers have brought the bank through the trying boom period before the war and the more trying period since.

Capitalization	Authorized	Outstanding
Stock	$31,175,000	$27,250,000
Reserve and Undivid. prof.	....	27,829,675

Dividend Record—
12% payable March, June, September and December.

Directors—
Sir Vincent Meredith, Bart., President; Sir C. B. Gordon, Vice-president; R. B. Angus, Hon. Robt. Mackay, Wm. McMaster, H. W. Beauclerk, G. B. Fraser, Gen. Sir A. Currie, G. C.M.G., K.C.B.; Lord Shaughnessy, K. C.V.O., H. R. Drummond, Lt.-Col. Herbert Molson, C.M.G., M.C., Lt.-Gov. H. Cockshutt, J. H. Ashdown, C. R. Hosmer, D. Forbes Angus, Harold Kennedy, E. W. Beatty, Sir Lomer Gouin.

Profit and Loss—	1921	1922
Profits	$3,949,796	$4,756,668
Bal. forward ...	1,251,850	1,501,646
	$5,201,646	$6,258,314
Dividends	3,080,000	3,657,500
Dom. tax	220,000	491,999
Premises	400,000	500,000
Reserve	....	1,050,000
Balance	1,501,646	558,815
	$5,201,646	$6,258,314
M. B. Stock	....	*4,200,000
To reserve	....	4,200,000

* Capital stock of the Merchants' Bank in excess of the value of par of the capital stock of the Bank of Montreal issued and cash paid therefor.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$2,562,720	$1,920,000	$1,901,613
1919 .	3,314,227	2,372,250	1,812,854
1920 .	4,033,995	2,960,000	1,251,850
1921 .	3,949,796	3,080,000	1,501,646
1922 .	4,756,668	3,657,500	1,608,815

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
220½	185	215½	195½	235	212	248	230½

* To April 26.

LA BANQUE NATIONALE

One of the older banks of Canada is La Banque Nationale which has its head office in the city of Quebec. It was founded in 1860. The bank for the past two or three years operated under the disadvantages of unsatisfactory business conditions but it has a strong hold on many portions of the French-speaking community. The dividend was recently reduced to 6 per cent. from the former rate of 12 per cent. in order to conserve the bank's resources. The stock as a result has been selling at the lowest levels in some years. It is now about par although at one time it sold as high as 180—in 1921. The general manager is H. des Rivieres.

Capitalization	Authorized	Outstanding
Stock	$ 5,000,000	$ 2,005,880
Reserve . ..	......	400,000
Undiv. prof.	....	57,379

Dividend Record—
Payable quarterly, February, May, August, November; May, 1919, increased 9 to 10%; May, 1920, 10 to 12%; Feb., 1922, reduced 12 to 6% for quarter and so continued.

Directors—
Hon. G. E. Amyot, President, J. H. Fortier, Sir J. Geo. Garneau, Hon. Jacob Nichol, K.C.; A. N. Drolet, T. Nap. Drouin, A. B. Dupuis, Naz. Fortier, C. E. Taschereau, Quebec; E. R. Decary, Montreal.

Profit and Loss—	1920-21	1921-22
Profits	$ 544,945	$ 401,922
Bal. forward ...	74,219	35,456
	$ 619,165	$ 437,379
Dividends	240,000	210,000
Deprec. of sec. ..	100,000	150,000
Reserve	100,000	......
Deprec. of, prem.	40,000	......
Deprec. fixtures.	25,000	....
Reb. int. on disc.	20,000	....
Pension fund ..	20,000	......
Dom. taxes	26,708	20,000
Subscriptions ..	12,000	....
Balance	35,456	57,379
	$ 619,165	$ 437,379

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1917-18	$ 435,288	$ 180,000	$ 35,249
1918-19	533,450	180,000	48,699
1919-20	567,372	200,000	74,229
1920-21	544,945	240,000	35,457
1921-22	401,922	210,000	57,379

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
174	162¾	180	130	130	99	100	98

* To April 26.

BANK OF NOVA SCOTIA

The Bank of Nova Scotia is one of the larger Canadian banks and its field of operation includes Newfoundland and a large part of the West Indies. While the nominal head office of the bank is in Halifax, the management activities are centered in the city of Toronto. This was the natural result of the acquisition by the Bank of Nova Scotia of the Metropolitan Bank, which had operated in Ontario, in 1914, and the Bank of Ottawa in 1919. Previously it had acquired the shares of the Bank of New Brunswick in 1913. The bank is one of the oldest in Canada, having been incorporated in 1832. While at one time it concentrated its effort in the Maritime Provinces, it is now a bank operating throughout all Canada.

The reserve fund stands at twice the amount of the capital stock paid in and in other ways the balance sheet reflects the strength of the organization. Dividends are paid at the rate of 16 per cent. and the stock sold as high as $257 in 1919 and higher than that before the war. It is the highest priced bank stock on the exchange.

Capitalization	Authorized	Outstanding
Stock	$15,000,000	$ 9,700,000
Reserve . ..	....	19,000,000
Undiv. prof.	....	173,163

Dividend Record—
Payable January, April, July and October, 1911 increased 14%, 1919, 16%.

Directors—
Charles Archibald, President; G. S. Campbell and J. Walter Allison, Vice-presidents; Hector McInnis, Halifax N.S.; James Manchester, St. John, N. B.; S. J. Moore, Toronto, Ont.; M. C. Grant, Halifax, N.S., Lt.-Gov. of Nova Scotia; Hon. N. Curry, Montreal, Que.; W. W. White, M.D., St. John, N.B.; W. D. Ross, Toronto, Ont.; Hon. R. M. MacGregor, New Glasgow; G. C. Whitney, Ottawa; Hon. Geo. Bryson, H. Coulonge, Quebec; J. B. Fraser, Ottawa; R. Blackburn, Ottawa; A. McLaren, Quebec; Hon. M. J. O'Brien, Renfrew; Sir H. K. Egan, Ottawa; Hon. Geo. Gordon, North Bay.

Profit and Loss—	1921	1922
Profits	$2,111,733	$2,122,682
Bal. forward ...	982,595	65,328
	$3,094,328	$2,188,010
Dividends	1,552,000	1,557,383
Reserve	1,000,000	35,000
Pension fund ..	80,000	75,000
Tax on circ. ...	97,000	97,464
Written off	300,000	250,000
Balance	65,328	173,163
	$3,094,328	$2,188,010

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$1,411,925	$ 910,000	$ 749,694
1919 .	1,925,478	1,381,333	704,172
1920 .	2,327,423	1,552,000	982,595
1921 .	2,111,733	1,552,000	65,328
1922 .	2,122,682	1,557,383	173,163

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
273	243	265	247	262	252	266½	253

* To April 26.

LA BANQUE PROVINCIALE DU CANADA

A strong bank operating chiefly in French-Canadian communities and having its head office in the city of Montreal is La Banque Provinciale du Canada. It has been in operation something over 20 years and earnings for the past few years have been fairly stable and uniform. The shares are not listed on the stock exchange but in unlisting trading have recently been quoted 122-125.

Capitalization	Authorized	Outstanding
Stock	$ 5,000,000	$ 3,000,000
Reserve . ..	......	1,500,000
Undiv. prof.	....	25,898

Dividend Record—
Payable January, April, July and October, 9% increased from 8%, 1920; 7 to 8% 1919.

Directors—
Hon. Sir H. Laporte, President; W. F. Carsley, T. Bienvenu, G. M. Bosworth, E. Daoust, S. J. B. Rolland, Montreal; Hon. M. Garneau, Quebec.

Profit and Loss—	1920-21	1921-22
Profits	$ 425,647	$ 415,251
Prem. on stock ..	200,000	.....

(Continued on page 20)

THE DOMINION BANK

HEAD OFFICE - TORONTO

ESTABLISHED 1871

Capital Authorized ..$10,000,000
Capital Paid Up 6,000,000

Reserve Fund and Undivided Profits ....$ 7,700,000
Total Assets, 30 Dec., 1922.... 130,000,000

BOARD OF DIRECTORS

Sir Edmund B. Osler, President

A. W. Austin, Sir Augustus M. Nanton, Vice-Presidents.

Charles S. Blackwell, James Carruthers, R. J. Christie, R. Y. Eaton, Eric W. Hamber, H. W. Hutchinson, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, A. T. Reid, H. H. Williams

Branches and Correspondents throughout Canada and in all parts of the world. 33 Branches in Toronto.

London Branch: 73 CORNHILL, E. C. 3
New York Agency: 35 WALL STREET

At every Branch of this Bank a general banking business is conducted. Deposits are accepted, Loans made and Letters of Credit issued. Drafts on Foreign Banks bought and sold and direct transfers effected. Sales Notes, Collections, etc., negotiated.

THE DOMINION BANK ESTABLISHED 1871

C. A. BOGERT,
General Manager

A Dominion-Wide Scope

Board of Directors

Sir William Price, Quebec, Hon. Pres.
W. R. Allan, Winnipeg, President.
G. H. Thomson, Quebec, Vice-Pres.
Stephen Haas, Toronto, Vice-Pres.
M. Bull, Winnipeg, Vice-Pres.
G. H. Balfour, Winnipeg.
G. M. Black, Winnipeg.
Hume Blake, K.C., Toronto.
B. B. Cronyn, Toronto.
E. L. Drewry, Winnipeg.
S. E. Elkin, St. John, N.B.
D. N. Finnie, Winnipeg.
John Galt, Victoria.
A. Hitchcock, Moose Jaw, Sask.
J. S. Hough, K.C., Winnipeg.
F. E. Kenaston, Minneapolis, Minn.
W. H. Malkin, Vancouver, B.C.
R. O. McCulloch, Galt, Ont.
H. A. Robson, K.C., Winnipeg.
Wm. Shaw, Quebec.
J. B. Waddell, Montreal.

Officers

J. W. Hamilton, Winnipeg, General Manager.
F. W. S. Crispo, Winnipeg, Asst. General Manager.
Geo. Wilson, Toronto, Asst. General Manager.

Aiming to give a helpful and efficient banking service to every part of Canada the Union Bank of Canada has built up a chain of 360 branches including the most important points throughout the country.

We operate farthest North as well as from Coast to Coast—a Dominion-wide scope.

Our branches in London, England, Montreal, Toronto, Winnipeg and Vancouver, and our New York Agency (49 Wall Street) are equipped with perfectly organized Foreign Exchange Departments, prepared to finance and advise Canadian exporters and importers.

UNION BANK OF CANADA

Head Office - Winnipeg, Man.

GENERAL MOVE OF BANK STOCKS TO HIGHER LEVEL

Advances Recorded in Spite of Unsettling Influences

NO HIGH MARKS

Only Three Banks Have Made Marker Records Since Beginning of War Period—These Were in 1921

The moderate improvement in business conditions throughout Canada, and the return of confidence in the industrial and agricultural outlook, together with the general adjustment of sound investment stocks to a lower yield basis, have been reflected in the advance of Canadian bank stocks on the exchanges. This advance, too, speaks particularly well for the attractiveness of Canadian bank stocks for investors when the wave of unpopularity of bank stocks in general—with their double liability—following the exposures in connection with the Merchants Bank is taken into consideration. The periodical revision of the Bank Act, with the inquiry before the Committee on Banking and Commerce, and agitations for amendments of a more or less radical character, is another unfavorable factor which makes the rise in prices the more significant. It is to be noted, however, that no new high marks were recorded during the year; only three of the banks have since the armistice made records higher than those established prior to the war—all three of these were made in the spring of 1921.

Judging by the reports of earnings for 1922, the improvement in the position of the banks indicated by the trend of stock prices was prospective rather than actual in that period. In most cases the earnings were somewhat lower as shown by the annual statements, but the contraction of profits was not marked when the business conditions prevailing were taken into consideration, particularly as the banks, no doubt, followed a conservative policy in making substantial allowances for contingencies before bringing down their net profits. As will be seen by the accompanying figures, the reduction in profits of all the banks was about $2,000,000 compared with the previous year and was over $3,500,000 below the mark established in 1920.

Shareholders' Investments

The investments of shareholders in stock and surplus in the Canadian banks showed some decrease during the year on account of the disappearance of a large portion of the rest fund of the Merchants Bank following the revelations regarding the position of that institution. However, as compared with the pre-war period the "stake" of shareholders shows a considerable increase. In 1913 the capital amounted to $114,000,000 and the surplus to $119,300,000, a total of $223,400,000, while, according to last available reports, the paid-up capital was $125,300,000 and the surplus $138,800,000, a total of $264,000,000.

The distribution of profits for the 1922 period shows that $6,400,000 was added during the year to the rest fund and $15,400,000 paid in dividends, while $1,950,000 was applied to the premises account; over $750,000 was provided for pension funds.

BANK PAPER TAKES CARE OF 96 P.C. OF BUSINESS OF DAY

(Continued from page 17)

out again until another similar credit function is required. The result of that has been that when banks decline in business their circulation declines; they cannot keep it out; it has got to decline. Then when banks have failed, after several months of stress, it has almost always been found that their circulation is enormously less than it was a few months before, when they were at the height of their activity."

Three important phases of Canadian banking are shown by the following table. The first shows gold and Dominion notes held in Central Gold Reserve at the end of the year. The figures:

	Gold	Dominion Notes	Total
1920	11,502,533	101,850,000	113,352,533
1921	10,502,533	57,950,000	68,452,533
1922	14,002,533	47,200,000	61,202,533

The second shows advances of Dominion notes against securities, approved by the Treasury Board:

1920	108,707,960.75
1921	86,858,931.00
1922	28,574,074.92

No. 3 is the excess circulation as of Dec. 31 authorized by section 61 of the Bank Act:

1920	196,398.19
1921	1,093,089.00
1922	579,725.50

Organization of a chain of Chinese banks throughout the United States, backed by Chinese capital totalling more than $25,000,000, is the purpose of E. Woping, special representative of the Oriental Commercial Bank of Hong Kong.

Comparative Record of Listed Bank Stocks

Banks—	High price 1910	since Date	High July 1914	Prices at the end of 1917	Prices at the end of 1918	Prices at the end of 1919	Prices at the end of 1920	Prices at the end of 1921	Prices at the end of 1922	Pres. Price
Commerce	237	May1911	205½	183¾	202	197	182½	185	191½	199
Dominion	242	Jan.1913	230	202	208	197	191	200	191	197
Hamilton	212	Jan.1913	202	184	188⅛	192½	169½	170	170	170½
Hochelaga	180	Aug.1912	151	140	143	156½	153	148	150	150
Imperial	229	Dec.1912	218	185	203	196	188	174	180	185
Molsons	209	June1911	202	179⅞	179⅞	187	170	170	162	176¼
Montreal	270	Aug.1911	235	210	216	209	196	215	231	245
Nationale	180	Apr.1921	132¾	148½	148	160	174	130	100	99
Nova Scotia	278½	Mar.1921	265	248	255	272	250	252	255	262
Royal	241½	Mar.1921	223	205	214	215	193	200	206¾	219¾
Standard	239	June1912	220	200	214	215	193	204	204	209½
Toronto	217	June1911	212	184¼	194	195	182	188	183	191
Union	174	Feb.1912	141	137	160	160	142½	142	135⅝	136

Record of Bank Profits

Banks—	1916	1917	1918	1919	1920	1921	1922
Commerce	$2,439,415	$2,637,555	$2,850,318	$3,074,892	$3,306,243	$3,116,136	$3,002435
Dominion	947,615	1,065,062	1,146,498	1,169,703	1,188,511	1,016,262	1,175,478
Hamilton	442,525	†598,522	571,226	847,104	888,018	850,672	797,898
Hochelaga	546,011	565,433	595,187	611,105	649,739	630,902	604,829
Home	133,406	217,059	228,963	238,753	268,894	278,556	275,112
Imperial	1,003,960	1,122,816	1,185,066	1,247,516	1,379,318	1,287,061	*638,003
†Merchants	950,713	1,120,308	1,236,680	1,383,569	1,686,156	1,402,820	....
Molsons	582,356	615,514	712,485	818,802	822,718	752,389	682,104
Montreal	1,200,471	2,477,969	2,562,720	3,314,227	4,033,995	3,949,796	4,756,668
Nationale	341,003	417,622	435,283	533,456	567,372	544,945	401,922
Nova Scotia	1,252,038	1,295,315	1,411,925	1,925,478	2,327,422	2,111,733	2,122,682
†Ottawa	591,205	616,238	646,437	....	....	....	....
Provincial	203,983	207,483	....	**434,594	338,882	425,647	415,251
Royal	2,111,307	2,327,979	2,809,846	3,423,264	4,253,649	4,037,836	3,958,469
Standard	580,230	649,546	697,443	776,310	784,369	725,014	728,074
Sterling	145,290	161,270	186,120	213632	251,436	255,976	260,694
Toronto	730,954	802,820	844,402	1,011,359	1,017,371	926,125	878,762
Union	651,183	764,463	824,174	932,256	1,603,842	1,342,389	1,131,060
Weyburn	82,149	74,274	74,343	62,230	57,742	46,628	48,426

*For six months.
**For 18 months ended June, 1919.
†Bank absorbed.

Investments of Bank Stockholders

	1913 Reports Capital	1913 Reports †Surplus	1922 Reports Capital	1922 Reports †Surplus
Commerce	$ 15,000,000	$ 13,884,529	$ 15,000,000	$ 17,097,502
Dominion	5,811,244	7,459,033	6,000,000	7,758,163
Hamilton	3,000,000	3,751,131	5,000,000	4,926,798
Hochelaga	4,000,000	3,652,561	4,000,000	4,194,536
xHome	1,943,998	773,932	1,960,296	675,084
xImperial	7,000,000	8,265,919	7,000,000	8,506,931
Molsons	4,000,000	4,881,932	4,000,000	5,266,318
Montreal	16,000,000	17,460,217	27,250,000	27,808,815
xNationale	2,000,000	1,762,299	2,956,030	457,379
Nova Scotia	6,000,000	11,041,124	10,000,000	19,673,162
xProvinciale	1,000,000	637,873	3,000,000	1,525,898
Royal	11,560,000	13,575,119	20,400,000	21,407,514
Standard	2,860,240	3,812,457	4,000,000	5,160,566
xSterling	1,184,353	387,982	1,232,900	538,034
Toronto	5,000,000	6,307,272	5,000,000	7,061,241
Union	5,000,000	3,490,579	8,000,000	6,483,175
Weyburn	316,100	103,112	524,560	241,979
Since absorbed	22,406,320	18,533,453	......	......
	$114,082,255	$119,780,524	$125,323,786	$138,783,095
		114,082,255		125,323,786
		$233,862,779		$264,106,881
SINCE ABSORBED				
B. N. A.	$ 4,866,666	$ 3,125,770		
Metropolitan	1,000,000	1,432,547		
N. Crown	2,811,804	442,276		
Ottawa	4,000,000	4,952,759		
Quebec	2,727,850	1,331,967		
Merchants	7,000,000	7,248,134		
	$ 22,406,320	$ 18,533,453		

† Includes reserve.
x Last available report.

Record of Bank Dividends Since 1915

Banks—	1915	1916	1917	1918	1919	1920	1921	1922	‡1923
Commerce	10+2	10+2	10+2	10+2	12	12+1	12+1	12+1	12
Dominion	12	12	12	12	12+1	12+1	12+1	12+1	12+1
Hamilton	12	12	12	12	12	12+1	12	12	12
Hochelaga	9	9	9	9	9	10	10	10	10
Home	5	5	5	5	5	6	7	7	7
Imperial	12	12	12	12	12	12+1	12+1	12+½	12
Merchants	10	10	10	10	11+1	12+1	12+1	1½	.....
Molsons	11	11	11	11	12	12	12	12	12
Montreal	10+2	10+2	10+2	10+2	12	12+2	12+2	12+2	12
Nationale	8	8	x9	9	9	10	12	7½	6
Nova Scotia	14	14	14	14	16	16	16	16	16
Provinciale	7	7	7	7	†8	8	9	9	9
Royal	12	12	12	12	12+2	12+2	12+2	12+2	12
Standard	13	13	13	13	13	14	14	14	14
Sterling	6	6	6	6	6	7	8	8	8
Toronto	11	11	11	11	12	12	12	12	12
Union	8+1	8+1	8+1	8+1	10	10+2	10	10	10
Weyburn	5	5	5	5	7	7	7	7	7

x Increased from 8 per cent. to 9 per cent. during the year.
† Increased from 7 per cent. to 8 per cent. during the year.
‡ Bonuses may be paid at end of year.

Dividend Record and Yields to Shareholders

Banks—	1914 July Div.	1914 July Price	1914 July Yield	May †1919 Div.	May †1919 Price	May †1919 Yield	May †1923 Div.	May †1923 Price	May †1923 Yield
Commerce	10+2	205½	5.85	12	204⅞	5.85	12	198½	6.04
Dominion	12+2	230	6.08	12	207½	5.79	12	196	6.12
Hamilton	12	202	5.94	12	185¾	6.48	12	171	7.01
Hochelaga	9	151	5.96	9	148	6.08	10	150	6.66
Home	7	...	....	5	...	....	7	...	....
Imperial	12	218	5.50	12	199	6.03	12	184½	6.50
Molsons	11	202	5.44	12	198	6.06	12	176½	6.80
Montreal	10+2	235	5.10	12	220	5.45	12	245⅛	4.89
Nationale	8	132¾	6.01	9	148	6.08	6	99¾	6.02
Nova Scotia	14	265	5.28	16	269	5.94	16	263	6.08
Provincial	7	...	....	7	...	....	9	...	....
Royal	12	223	5.38	12	215½	5.58	12	219	5.47
Standard	12	220	5.90	13	204½	6.37	14	209½	6.70
Sterling	6	...	....	6	...	....	8	...	....
Toronto	11+1	212	5.66	12	200¼	6.00	12	191	6.28
Union	8+1	141	6.38	10	161	6.21	10	136	7.35
Weyburn	5	...	.....	7	...	....	7	...	....

† Maximum price May 2, or last price previous to that date.

How Bank Profits Have Been Distributed

Name—	Balance	Profits	Total	Dividends	Taxes	Add to Rest	Premises	Pensions and other	Balance
Commerce	$ 1,946,745	$ 3,002,435	$ 4,949,180	$ 1,950,000	$ 325,000	......	$ 400,000	$ 176,679	$2,097,502
Dominion	715,480	1,175,478	1,890,958	780,000	157,795	......	150,000	45,000	758,163
Hamilton	216,590	797,898	1,014,488	600,000	66,659	†250,000	......	21,031	76,798
Hochelaga	184,706	604,829	789,536	400,000	75,000	......	100,000	20,000	194,536
Home	134,867	275,112	x410,126	137,184	47,858	†100,000	......	......	125,084
Imperial	1,175,178	638,003	1,813,181	455,000	80,000	†250,000	......	21,250	1,006,931
Molsons	187,355	682,104	869,459	480,000	75,000	......	......	48,141	266,318
Montreal	1,501,646	4,756,668	6,258,314	3,657,500	491,999	xx5,250,000	500,000	......	558,815
Nationale	35,456	401,922	437,379	210,000	20,000	.....	......	150,000	57,379
Nova Scotia	65,328	2,122,682	2,188,010	1,557,383	97,464	35,000	250,000	75,000	173,162
Provinciale	40,976	415,251	456,228	270,000	29,329	100,000	......	31,000	25,898
Royal	905,044	3,958,469	4,863,514	2,856,000	500,000	.....	400,000	100,000	1,007,514
Standard	112,492	728,074	840,566	560,000	95,000	.....	......	25,000	160,566
Sterling	37,564	260,695	298,259	98,618	31,606	†130,000	......	......	38,034
Toronto	1,037,479	878,762	1,916,241	600,000	80,000	......	150,000	25,000	1,061,241
Union	541,686	1,131,060	1,672,746	800,000	79,570	†300,000	......	10,000	483,175
Weyburn	16,144	48,426	64,571	36,719	7,632	......	......	3,240	16,979
	$ 8,854,736	$21,877,868	$30,732,756	$15,448,404	$2,259,912	$6,415,000	$1,950,000	$ 751,341	$8,108,095
Compared With Previous Years									
1921	$ 9,129,881	$23,809,806	$34,339,225	$16,600,587	$1,703,785	$3,816,885	$2,135,000	$ 938,186	$9,144,772
1920	9,065,775	25,413,340	36,918,271	15,902,801	1,583,994	6,766,115	2,445,000	1,020,034	9,199,883
1919	8,348,989	21,018,237	36,238,742	13,615,504	1,189,638	8,295,000	1,965,000	2,116,514	9,067,069
1918	7,726,764	19,058,122	27,831,804	11,974,143	988,776	2,736,710	2,284,009	1,074,319	8,028,846

x Includes premium on stock.
† Includes contingent fund.
xx Includes $4,200,000 from the Merchants Bank.

Serving Canada

THE Imperial Bank of Canada has one distinction peculiar to itself. It concentrates on the requirements attendant to business within the borders of the Dominion. By confining the Bank's activities exclusively to domestic business and by relying upon the co-operation of powerful financial institutions abroad for our customer's foreign needs, we believe that we can best serve Canada. That our service is adequate is evidenced by the Bank's steady, substantial growth.

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IRELAND
Northern Banking Co., Ltd., Belfast and Branches.
FRANCE
Lloyds & National Provincial Foreign Bank, Ltd., Credit Lyonnais.
UNITED STATES
New York — Bank of the Manhattan Company.
Chicago — First National Bank.
Buffalo—Marine Trust Co.
Detroit — First National Bank.
San Francisco—Wells-Fargo Nevada National Bank.

THE IMPERIAL BANK OF CANADA

Capital Paid Up - $7,000,000 **Reserve Fund - $7,500,000**

Peleg Howland, President **A. E. Phipps, General Manager**
G. D. Boulton, Asst. Gen. Mgr. **H. T. Jaffray, Asst. Gen. Mgr.**

Head Office - Toronto

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THE CANADIAN BANK OF COMMERCE

Paid Up Capital $15,000,000
Reserve Fund $15,000,000

Strong Position Maintained by Banks; Interesting Data on Their Progress

(Continued from page 18)

Bal. forward ...	38,467	40,977
	$ 664,114	$ 456,228
Dividends	264,024	270,000
Tax on circ. ..	29,113	29,330
Subscription . ..	5,000	6,000
Pension fund ..	25,000	25,000
Reserve	300,000	100,000
Balance	40,976	25,898
	$ 664,114	$ 456,228

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 .	$ 207,484	$ 70,000	$ 23,004
*1918-19	434,594	124,191	44,693
1919-20	333,882	158,926	38,466
1920-21	425,647	264,024	40,976
1921-22	415,251	270,000	25,898

* For 18 months.

ROYAL BANK OF CANADA

The Royal Bank of Canada ranks second among Canadian banking institutions as to total assets. Its operations are widespread, it having a large number of branches in each of the Canadian provinces and in Newfoundland. It has branches also in the West Indies and in Central and South America. The Royal Bank is the chief bank operating in Cuba. It has 73 branches on that island. Like a number of other Canadian banks it has grown not only with the normal development of its business, but it has amalgamated a number of other banking institutions. The Royal Bank was incorporated in 1869 and was known previous to 1901 as the Merchants Bank of Halifax. In 1910 the Union Bank of Halifax was absorbed; in 1912 the Traders Bank, in 1917 the Quebec Bank, and in 1918 the Northern Crown Bank. In 1919 a million dollars of stock of the Royal Bank was acquired by the London County, Westminster and Parr's Banks, cementing a valuable overseas connection that in the past had been on an informal basis. The reserve funds of the Royal Bank are now equal to the capital stock outstanding.

Capitalization	Authorized	Outstanding
Stock	$25,000,000	$20,400,000
Reserve . ..	......	20,400,000
Undiv. prof.	....	1,007,514

Dividend Record—
12% payable March, June, September and December.

Directors—
Sir Herbert Holt, President, E. L. Pease, Jas. Redmond, Hugh Paton, R. J.Brown, K.C.; C. E. Neill, Sir Mortimer B. Davis, G. H. Duggan, R. Adair, Montreal; G. R. Crows, D. K. Elliot, Capt. W. Robinson, A. McI. Campbell, Winnipeg; R. Adair, Montreal; W. A. Black, Halifax; Hon. W. H. Thorne, St. John, N.B.; C. S. Wilcox, Hamilton, W. J. Sheppard, Waubaushene, A. E. Dyment, Toronto.

Profit and Loss—	1921	1922
Profits	$4,037,836	3,958,469
Bal. forward ...	546,928	905,045
	$4,584,764	$4,863,514
Dividends	2,436,488	2,448,000
Bonus	407,082	408,000
Premises	400,000	400,000
Pension fund ..	100,000	100,000
Tax reserve	203,154	500,000
Reserve	132,995	......
Balance	905,045	1,007,514
	$4,584,764	$4,863,514

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$2,809,846	$1,614,702	$ 535,757
1919 .	3,423,264	1,866,196	1,096,418
1920 .	4,253,649	2,555,839	546,928
1921 .	4,037,836	2,843,570	905,045
1922 .	3,958,469	2,856,000	1,007,514

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
233½	189½	206	193½	206¾	194	223	208

* To April 26.

STANDARD

The Standard Bank confined its activities to the Dominion and is noted as one of the highest dividend payers among the banks. It is now on a 14% basis, with the result that the stock is selling well over 100% premium. Despite unsettled trade conditions, and particularly conditions in Western Canada, the last statement of the bank shows that its march forward was maintained, and after all charges were cared for and dividends paid there was $58,000 to add to the profit and loss account.

The reserve of the Standard stands at $5,000,000 or one million greater than the paid-up capital. Total assets stand at $78,719,000, while deposits have shown a moderate decline.

Capitalization	Authorized	Outstanding
Stock	$ 5,000,000	$ 4,000,000
Reserve . ..	......	5,000,000
Undivid. prof.	......	112,492

Dividend Record—
Paid 13%, quarterly, Feb., May and Nov. to Feb., 1920; 14% since.

Directors—
Wellington Francis, president; H. Langlois, T. H. Wood, T. B. Greening, Jas. Hardy, A. P. Auld, Thos. Bradshaw, Toronto; F. W. Cowan, Oshawa; R. Gray, Chatham.

Profit and Loss—	1921	1922
Profits	$ 725,014	$ 728,074
Bal. forward ...	378,644	112,492
Prem. on stock.	148,499	......
	$1,252,157	$ 840,566
Dividends	555,115	560,000
Pensions..	25,000	25,000
Taxes revenue .	20,000	55,000
Revenue	200,000	......
Tax on circ	39,550	40,000
Contingent	300,000	......
Balance	112,492	160,566
	$1,252,157	$ 840,566

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$ 697,443	$ 453,893	$ 227,327
1919 .	776,310	455,000	360,537
1920 .	784,369	492,720	378,643
1921 .	725,014	555,115	112,492
1922 .	728,074	560,000	160,566

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
222	200	206	198	204	198	212½	203

* To April 26.

STERLING

The Sterling Bank, with its head office in Toronto, is another institution that gives the most of its attention to Canadian enterprise, which despite the depression in industry and agriculture, was well able to maintain its position. The last report issued showed an increase in profits. The bank's year ends April 30 so that the shareholders may look forward with interest to the new report.

The Sterling is believed to be closely associated with the T. Eaton Co. R. W. Eaton is a director. The paid-up capital stands at $1,232,900, with a reserve of half a million.

Capitalization	Authorized	Outstanding
Stock	$ 3,000,000	$ 1,266,600
Reserve . ..	......	500,000
Undivid. prof.	......	38,034

Dividend Record—
Paid 6% to July, 1919; 7% to July, 1920; 8% since. Papable quarterly on 15th May, Aug., Nov. and Feb.

Directors—
G. T. Somers, president; W. K. George, R. W. Eaton, W. Dineen, Col. Noel Marshall, H. W. Aikins, Sidney Jones, A. H. Walker, Toronto; W. A. Matteson, Winnipeg.

Profit and Loss—	1921	1922
Profits	$ 255,976	$ 260,694
Bal. forward ...	42,943	37,565
	$ 298,919	$ 298,259
Dividends	98,419	98,618
Reserve	50,000	......
Taxes	29,935	31,606
Contingent	83,000	130,000
Balance	37,564	38,035
	$ 298,919	$ 298,259

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ..	$ 186,120	$ 72,906	$ 40,874
1919 ..	213,632	73,146	40,904
1920 ..	251,347	85,884	42,943
1921 ..	255,976	98,418	37,564
1922 ..	260,694	98,618	38,035

TORONTO

The Bank of Toronto came into being in 1855 and to-day enjoys a high position in the confidence of the people of the whole Dominion. While the bulk of the bank's business is in the Dominion, it has nevertheless, like many of the other large banks, a heavy foreign connection, but in the case of the Bank of Toronto this is pretty much confined to the United States. While Ontario is the main centre of its activities, over half its branches being in this province, it has nevertheless, a heavy Western business, with its greatest number of Western branches in Saskatchewan. It does not operate in the Maritimes.

The paid-up capital of the bank is $5,000,000, which is exceeded by the rest by $1,000,000 with over a million dollars undivided profits.

Capitalization	Authorized	Outstanding
Stock	$10,000,000	$ 5,000,000
Reserve .. .	......	6,000,000
Undivid. prof.	......	1,037,479

Dividend Record—
12% payable Mar., June, Sept. and Dec.

Directors—
W. G. Gooderham, president; Joseph Henderson, W. Stone, John Macdonald, Col. A. E. Gooderham, A. E. Campbell, T. F. Haw, Toronto; Gen. T. S. Meighen, W. I. Gear, Montreal; J. D. Chaplin, St. Catharines; P. J. Myler, Hamilton; W. R. Bawlf, Winnipeg; J. T. McFarland, Calgary.

Profit and Loss—	1921	1922
Profits	$ 926,125	$ 878,762
Bal. forward ...	986,354	1,037,479
	$1,912,479	$1,916,241
Dividends	600,000	600,000
Pension fund ...	25,000	25,000
Taxes..	100,000	80,000
Premises	150,000	150,000
Balance	1,037,479	1,061,241
	$1,912,479	$1,916,241

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$ 844,402	$ 550,000	$ 625,624
1919 .	1,011,359	600,000	793,983
1920 .	1,017,371	600,000	986,354
1921 ..	926,125	600,000	1,037,479
1922 .	878,762	600,000	1,061,241

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
197	179	192	177	188	173¼	192½	182

* To April 26.

UNION

The Union Bank, generally looked upon as a Western institution, is gradually working itself well in to the East as well. Of late there have been some interesting reports going about that the bank was making a strong bid for an already established eastern connection, but nothing has come of it. The Union is now in its 59th year. It was the first bank to establish a branch in Alberta, blazing the trail into the far prairie by opening a branch at Lethbridge in 1886.

The reserve of the Union Bank is $6,000,000, or two million below the paid-up capital. The undivided profits at the time of the last annual meeting, November last, was just short of half a million dollars.

In 1911 the United Empire Bank of Canada was absorbed, payment being made in stock, $400,000, at par.

Capitalization	Authorized	Outstanding
Stock	$15,000,000	$ 8,000,000
Reserve . ..	......	6,000,000
Undivid. prof.	......	541,686

Dividend Record—
Paid 9% quarterly March, June, Sept. and Dec. to Dec., 1918; 10% since.

Directors—
Sir W. Price, President; G. H. Thompson, Wm. Shaw, Quebec; W. R. Allen, H. B. Shaw, E. L. Drewry, M. Bull, J. S. Hough, G. H. Balfour, G. M. Black, D. N. Finnie, Winnipeg; Stephen Haas, B. B. Cronyn, Hume Blake, John Galt, Victoria; Sir John Carson, Montreal; F. E. Kenaston, Minneapolis; R. O. McCullough, Galt; A. Hitchcock, Moose Jaw; W. H. Malkin, S. E. Elkin, St. John, N.B.; H. A. Robson.

Profit and Loss—	1921	1922
Profits	$1,342,389	$1,131,060
Bal. forward ...	149,296	541,686
	$1,491,686	$1,672,746
Dividends	800,000	800,000
Pension fund ..	50,000	10,000
Other contrib. ..	20,000	......
Tax on circ. . ..	80,000	79,570
Reserve	......	300,000
Balance	541,686	483,175
	$1,491,686	$1,672,746

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$ 824,174	$ 450,000	$ 126,296
1919 .	932,256	568,320	198,222
1920 .	1,603,842	794,234	149,296
1921 .	1,342,389	800,000	541,686
1922 .	1,131,060	800,000	483,175

Market Record—

1920		1921		1922		*1923	
H.	L.	H.	L.	H.	L.	H.	L.
161	139	160⅛	140	142	133½	141	134

* To April 26.

WEYBURN

The Weyburn Security Bank operates only in the Province of Saskatchewan and at the time of the last report had 24 branches. This institution is now in its 13th year and has worked up to be an institution of importance in its own province. In 1916 it absorbed the three branches of the Farmers' Exchange, bringing their total at that time to 17.

The paid-up capital of the bank is $524,560, while the reserve stands at $225,000. Undivided profits total $16,979.

Capitalization	Authorized	Outstanding
Stock	$ 1,000,000	$ 655,700
Reserve . ..	......	225,000
Undivid. prof.	......	16,144

Dividend Record—
Paid 5% to Dec., 1918; 7% since. Bonus, stock dividends 5% on Feb., 1916-17.

Directors—
Alex. Simpson, President, Minneapolis; Jos. Mergens, H. O. Powell, H. M. Morphy, M. A. Miller, J. A. McBride N. D. McKinnon, Weyburn; S. E. Oscarson, White Rock, S.D.

Profit and Loss—	1921	1922
Profits	$ 46,628	$ 48,427
Bal. forward ...	14,306	16,144
	$ 60,934	$ 64,571
Dividends	36,719	36,719
Bk. Fixtures ..	3,782	3,240
Tax on inc.	4,289	7,633
Balance	16,144	16,979
	$ 60,934	$ 64,571

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 .	$ 74,343	$ 25,280	$ 5,457
1919 .	62,221	33,506	8,546
1920 .	50,493	35,113	14,306
1921 .	46,628	36,719	16,144
1922 .	48,427	36,719	16,979

RUN ON TEXAS BANK

The Guaranty State Bank at Cleburne, Tex., with $100,000 capital stock and about $550,000 deposits, has been closed by Examiner H. D. Wallace.

A two weeks' slow run, which reduced deposits more than $400,000, following failure of two crops in Johnson country, was responsible for the closing, Commissioner Chapman declared. The bank may be reopened within a few days and depositors will be protected by the State guaranty fund, he added.

PROF. FISHER'S THEORY DOES NOT SOLVE PROBLEM

(Continued from page 17)

Nor can the banks of any individual country, much less a country of minor importance in a financial sense, control in any serious manner the price of money. If the banks in England refuse to discount sound commercial paper below 5% and the Bank of France accepts it at 3%, the commercial paper goes to Paris; if the Bank of Montreal refuses to discount similar paper in Montreal at an appropriate rate, it goes to New York. No market is so exposed to instant and world-wide competition as the money market; and for that reason currency is inevitably an international question; whereas the terms upon which a banking company may carry on business within a certain area may appropriately be arranged between the company or companies and the authorities controlling the area in question.

The Prestige of a Bank Account

AMONG those who are known to-day in hundreds of Canadian communities as substantial citizens, are scores of men who opened modest accounts with The Royal Bank of Canada in their formative years.

They enjoy to-day the prestige that accrues to our depositors from these advantages:

—$20,400,000 paid-up capital.
—$20,400,000 reserve fund.
—$372,000,000 total deposits.
—$479,000,000 resources.
—572 branches in Canada and Newfoundland to furnish every banking convenience and facility.
—110 branches in the West Indies, in Central and South America and in Europe to provide every opportunity for industrial and commercial pursuits.

A friendly, helpful interest in every depositor whether he has $10 or $10,000 to deposit.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Deposit Your Savings With

The Montreal City & District Savings Bank

ESTABLISHED 1846

Head Office and Sixteen Branches in Montreal

A. P. LESPERANCE, General Manager
T. TAGGART SMYTH, Assistant General Manager

The Bank of Nova Scotia

ESTABLISHED 1832

Capital - - - - - - -	**$10,000,000**
Reserve - - - - - -	**19,500,000**
Total Assets - - - - -	**210,000,000**

General Office - Toronto
H. A. Richardson General Manager

Branches in all the important centres of the Dominion of Canada, as well as in St. John's and 19 other points in Newfoundland; Havana, Cuba; San Juan, Ponce, and Fajardo, Porto Rico; Santo Domingo, San Pedro de Macoris, and Santiago de los Caballeros, Dominican Republic; Kingston and 9 other points in Jamaica; Boston, Chicago and New York, United States, and at 55 Old Broad Street, London, E. C. 2, England.

Correspondence Invited